Marine Electricals (India) Limited

B-1, Udyog Sadan-3, MIDC, Andheri (E), Mumbai-93, INDIA, Tel.: 91-22-40334300 Fax: 91-22-28364045 E-mail : info@marineelectricals.com
Website : www.marineelectricals.com CIN : U31907MH2007PLC176443 (Formerly known as Marine Electricals (I) Pvt. Ltd.)

ISO 9001:2015 ISO 14001:2015 OHSAS 18001:2007 CERTIFIED BY IRQS MGMT. SYS. RvA C 071

Ref: MEIL/SEC/2019-20/08

Date: 22nd August, 2019

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block- G,
Bandra Kurla Complex,
Bandra (East) Mumbai–400 051.
Fax No. 26598235/8237/8347.
Symbol: MARINE

Dear Sirs/Madam,

Subject: Intimation of 12th Annual General Meeting (AGM) and Book Closure of Register of Members and Share Transfer Books

This is to inform you that pursuant to Regulation 30 and 34 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (LODR) the 12th AGM of the Company is scheduled to be held on Monday, 16th September, 2019 at 11:30 A.M. at B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093, Maharashtra, attached herewith is the copy of Annual Report of the Company for year ended 31st March, 2019 and the same can be accessed on www.marineelectricals.com/annual-report.html. Further we would like to state that we have commenced the dispatch of Annual Report today i.e. 22nd August, 2019

Pursuant to Regulation 42 of LODR, we hereby inform that the Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 10th September, 2019 to Monday, 16th September, 2019 (both days inclusive) for the purpose of AGM.

You are requested to take the same on record & oblige.

Thanking You.

Yours faithfully,

For Marine Electricals (India) Limited

R Reesha

Marine Electricals (India) Limited

Reesha Ratanpal
Company Secretary and Compliance officer
ACS: 58695

Encl: As above

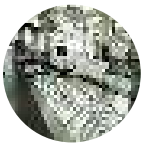
ANNUAL REPORT
2018-19



Marine Electricals (India) Limited

Formerly known as Marine Electricals (India) Private Limited















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CHAIRMAN'S MESSAGE



Dear Shareholders,

Iit gives me great pleasure to share with you an update on the performance of your Company for the year 2018-19 . Your company is a leading manufacturer and solution provider of specialized electrical and electronic equipment across key industries with significant presence in Naval and Commercial Marine Shipbuilding, Oil & Gas, Industry and Building Segments. We have both a national and international presence through our subsidiaries. The company's revenue from operations have increased to 399.84 crores in current FY 2019 as compared to Rs. 368.80 crores in FY 2018

India's GDP in FY2019 is estimated to have grown by around 7 per cent. While this is a laudable achievement in the global context, it falls marginally short of expectations due to various macro-economic and political factors. Notwithstanding that, India's medium-term growth prospects continue to be robust. significant reforms undertaken in the recent years such as GST and insolvency code would raise India's growth potential in the coming years, amplifying the effect of the long-term structural corner stones of the Indian growth story such as demography and urbanization. This coupled with the fact that the government is emphasizing heavily on infrastructure development and security has provided a good impetus to our industry. The need to expand and grow our defense infrastructure has resulted and will result in the future a strong defence outlay that will be sustained for the coming few years. The Make in India program has also given Indian Industry a boost with foreign defence equipment manufacturers looking for partners to partly or completely manufacture the equipment within the country. Your company with over 40 years of expertise in the defence industry has a lot to gain from these policies.

With these factors in mind your company has invested to set up a new R&D facility in Kochi to improve our current product line and to develop and introduce new products in the field of electronics and power electronics.

Shipyards in India have received orders of 24 Naval ships from the Ministry of Defence in FY 2018-19, which is unprecedented and furthermore similar number of ships are in advance stage of negotiations with many more projects in the pipeline. These foretell a very bright story for your company which has been in one of the prime partners to our customers

Over the last two decades, the world has changed beyond recognition thanks to ubiquitous connectivity. Today connectivity is truly multifaceted and all encompassing. It is about video, mobility, IoT and the once-unfathomable opportunities that the combination of always connected, cloud-powered applications offer for businesses, their partners, suppliers and consumers worldwide. Against this backdrop, more and more businesses with global growth ambitions are looking to transform how they operate and engage with their customers through digital platforms. This has resulted in the explosion of digital enablement services like data centers to meet the demand and also local regulations of storage of relevant data within the country. Your company has been a market leader in providing high end power distribution solutions to some of the largest and premium data center operators and leading banks in the country. This is just one of the specialized application where your company enjoys a leadership position in the Industry which has footprints in pharmaceuticals, automobiles and ancillaries, steel, premium residential and commercial buildings to name a few.

Your company was awarded with two EPC Solar projects one of 50MW and another of 10MW while we have commissioned and handed over the 10MW plant in FY 2018-19, we have also energized the 50 MW plant and would be handing over the plant in this year. The performance of both the plants have exceeded the project requirements and we would like to thank our employees with whose efforts we have been able to make our first projects in this new area of business a grand success.

Your Company is under the process of migrating the listing/trading of its Equity Shares from the SME Emerge Platform of National Stock Exchange of India Limited (NSEIL) to the Main Board of NSEIL. The migration to the Main Board will enhance the visibility and recognition levels of the Company and will further widen the participation of investors. It will also contribute towards raised goodwill and image of the Company.

I would like to take this opportunity to thank our customers, suppliers, shareholders, employees and the Board for their constant support, faith and trust in us, with the belief that it will continue for the times to come. I also thank the lenders, government authorities and officers for their guidance and support to our ventures

Yours Sincerely,

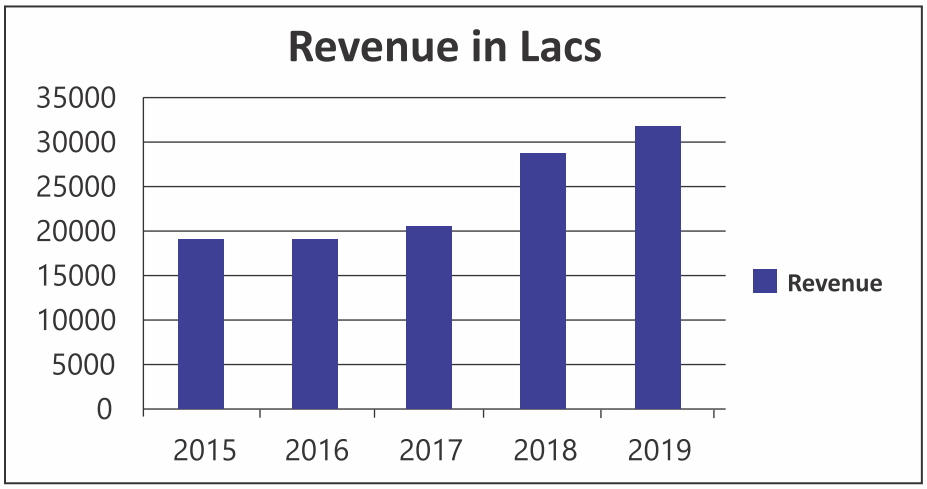
Mr. Vinay Uchil,

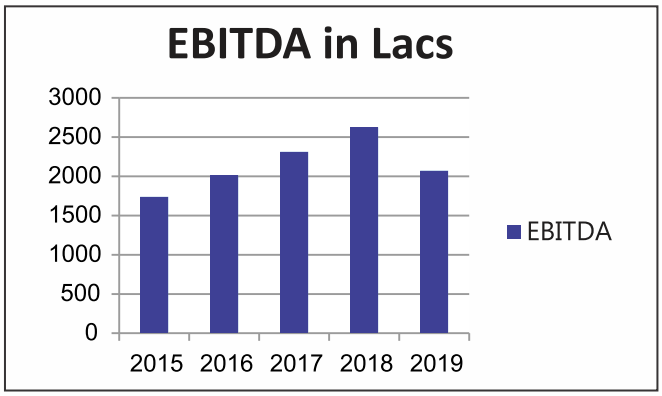
Chairman and Wholetime Director.

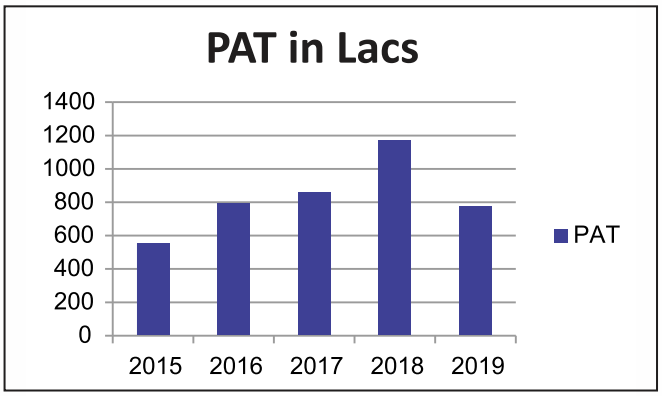
FINANCIAL HIGHLIGHTS

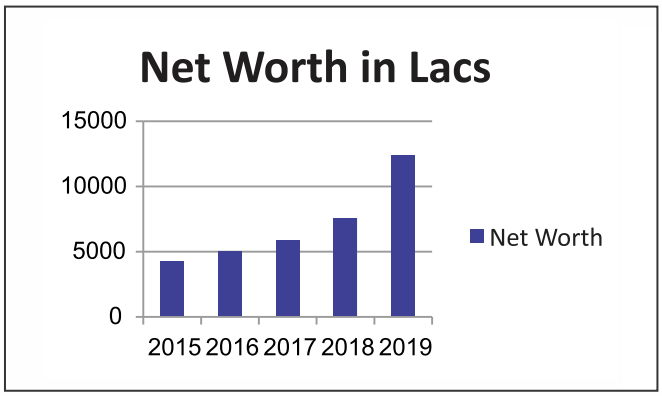
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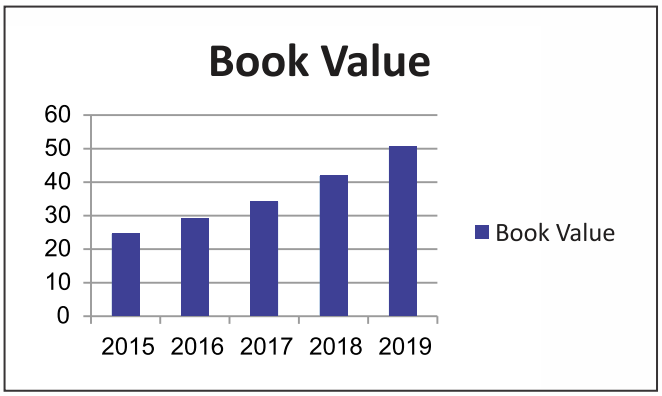
Year	Revenue (In Rs.Lacs)	EBITDA (In Rs.Lacs)	PAT (In Rs.Lacs)	Net Worth (In Rs.Lacs)	Book Value (Rs.)
2015	18,929.43	1,739.28	552.54	4,223.95	24.59
2016	19,344.95	2,013.73	792.60	5,015.99	29.20
2017	20,944.17	2,313.16	861.14	5,874.74	34.20
2018	28,766.39	2,622.68	1172.41	7,547.49	41.84
2019	32,323.03	2,072.46	777.72	12,413.08	50.60











BOARD OF DIRECTORS



Vinay Uchil
Chairman and Whole-Time Director

Mr. Vinay Uchil, aged 48 years, is the Chairman & Whole-Time Director and also Promoter of our Company. He completed B.E. in Instrumentation from Swami Vivekananda College, Mumbai in the year 1992 and thereafter completed MBA (Finance) from Narsee Monjee Institute of Management, in the year 1994. He has 20 years of experience in this Segment. He joined "M/s. Marine Electricals", a proprietorship concern by Late Krishnappa Uchil in 1999 and since then he is actively involved in Marketing, Finance and Administration functions of the Solar & Marine Division of the Organisation. Currently, He is looking after the orders from Defense and Public sector undertakings dealing in Shipping. His contribution was instrumental in expanding the business of the Company to a new height by diversification of the business into difference verticals i.e. Defense, Shipping, Marine & Non- Marine Sectors & Renewable Energy.



Venkatesh Uchil
Managing Director

Mr. Venkatesh Uchil, aged 41 years, is the Managing Director and Promoter of our Company. He completed his B.E (Electronics and Telecomm Engineering) from University of Mumbai in the year 1999. He has also Completed Post Graduate Diploma in Management from S.P Jain Institute of Management, Mumbai in the year 2002. He has 20 years of experience in this Sector. He joined "M/s. Marine Electricals", a proprietorship concern by Late Krishnappa Uchil in 1999 and since then he was actively involved in procurement, production and technical areas of the entity. He played an instrumental role in strategising and expanding the proprietorship concern to partnership firm and later a Company form of organisation. He started focusing on the marketing Division of the Company and got the orders from various industry / offices / Banks for automation, power management systems & control centers and electrification areas. He has actively participated in timely execution of the Industry orders. He has been guiding force behind the growth and business strategy of our Company.



Mrs. Tanuja Pudhierkar
Non Executive Non-Independent Director

Mrs. Tanuja Pudhierkar, aged 46 years, is the Non Executive Non-Independent Director of our Company. She is M.D in Obstetrics, & Gynaecology from University of Mumbai and has also undergone various Diploma Courses such as Diploma in Gynaecology& Obstetrics, Diploma in Artificial Reproductive Medicine, Diploma in Advanced Gynaecological Endoscopy, Diploma in Specialised Advanced Gynaecological Endoscopy. Further, she holds Bachelor's Degree of Medicine & Bachelor's Degree of Surgery (M.B.B.S.), from University of Mumbai. She has around two decades of experience in the field of Gynaecology& Obstetrics and entrepreneurship. She has been associated with various hospitals such as K.E.M Hospital, Nowrosjee Wadia Maternity Hospital, Cooper Hospital and has been a consultant Obstetrician & Gynaecologist at Oma Hospital, Cozy Clinique & Nursing Home and Dr. Shankar's Polyclinic. She is actively engaged in looking after CSR activities of the Company.

BOARD OF DIRECTORS



Madan Pendse
Non-Executive and Independent Director

Mr. Madan Pendse, aged 68 years, is the Non-Executive Independent Director of our Company. He completed Bachelor's Degree in Commerce and a Master's Degree in Business Administration. Mr. Pendse has around four decades of experience in Finance and Accounts functions including 28 years in Mazagon Dock Limited (now known as Mazagon Dock Shipbuilders Limited) at various post including General Manager (F&A) and 2 years in Reliance Defence and Engineering Limited (now known as Reliance Naval and Engineering Limited) as CFO & Controller (Finance). During his tenure, he was also appointed as Director on the board of various subsidiaries of Reliance Defence and Engineering Limited. He currently, works as a freelancer finance and tax consultant.



Mr. Nikunj Mishra
Non-Executive and Independent Director

Mr. Nikunj Mishra, aged 63 years, is the Non-Executive Independent Director of our Company. He has completed M.Tech (Computer Science) from IIT Bombay and PG Diploma in Business Management from IGNOU. He has around 38 years of experience including about 34 years of experience in India Navy at various levels and 4 years of experience in Hindustan Shipyard Limited as Chairman & Managing Director. He has been the Defence Attaché at Embassy of India, Rome. Further, He has been adjudged as the "Best Naval Cadet" at National Defence Academy, Pune and has Stood First in overall order of Merit at Naval Engineering Course and Advanced Electronics Engineering Course. He was also awarded "Nao Sena Medal" by the President of India for successful completion of Aircraft Carrier Modernisation in record time and was appreciated with many such awards in the year 2013-2014.



Shailendra Shukla
Additional, Non-Executive and Non-Independent Director

Mr. Shailendra Kumar Shukla, aged 51 years, is the Non-Executive Director of our Company. He has completed Bachelor's Degree in Electronics and Communications Engineering from University of Marathwada and Masters in Administrative Management, Post Graduate Diploma in Weapon Control Systems from INS Valsura and Masters in Administration in Narsee Monjee Institute of Management Studies from Bombay University. He has served at many senior level positions like Vice President and Managing Director in foreign Multinational Companies. He has an experience of 30 years in Maritime, Technology and Defence industries.

CORPORATE INFORMATION

Board of Directors

Mr. Vinay K Uchil
(Chairman and Wholetime Director)

Mr. Venkatesh K Uchil
(Managing Director)

Mrs. Tanuja Pudhierkar
(Non Executive Non Independent)

Mr. Madan Pendse
(Non Executive Independent Director)

Mr. Nikunj Mishra
(Non Executive Independent Director)

Mr. Shailendra Shukla
(Additional and Non Executive Director)

Statutory Auditor

SGJ & Co.Chartered Accountants
D - 207, Times Square,Near Marol Naka
Metro Station, Andheri Kurla Road, Andheri (E)
Mumbai - 400 059

Secretarial Auditor

CS Abdul Karim Kazi
Practicing Company Secretary

Registrar and Share Transfer Agents

Bigshare Services Pvt Ltd
Bharat Tin Works Building,
1st Floor, Opp. Vasant Oasis, Makwana Road Marol,
Andheri – East, Mumbai – 400059

Chief Financial Officer

Mr. Rohit Shetty

Bankers

Axis Bank
ICICI Bank
State Bank of India
Kotak Mahindra Bank

Company Secretary and Compliance Officer

Mr. Sudhir Gupta
(From 1st August 2018 till 16th November 2018)

Ms. Veedashri Chaudhari
(From 7th December 2018 till 23rd May, 2019)

Ms. Reesha Ratanpal
(From 20th July, 2019)

Shares Listed on

National Stock of Exchange of India Limited
(SME Emerge Platform)
Symbol: MARINE
ISIN: INE01JE01010

Registered Office Address

B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

Plant Locations

Mumbai Plant: B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

Goa Plant: Plot No. 17, 18 and Plot No. N-51, N-52, N-54, N-55, N-56, N-57, N-59, N-60 Verna Industrial Estate

NOTICE

Notice is hereby given that the 12th Annual General Meeting (AGM) of Members of Marine Electricals (India) Limited (the 'Company') will be held on Monday, 16th September, 2019 at 11:30 A.M. at B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement (including the Consolidated Financial Statement) for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a director in place of Mrs. Tanuja Pudhierkar (DIN: 08190742), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

3. REGULARISATION OF MR. SHAILENDRA SHUKLA (DIN: 08049885) AS NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to provisions of Section 149, 152, and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Mr. Shailendra Shukla (DIN: 08049885), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act, to hold office up to the date of this AGM and in respect of whom the Company has received a notice in writing under Section 160 (1)of the Act, from a member, proposing his candidature for the office of the Director, be and is hereby appointed as Non-Executive Non- Independent Director of the Company under the Act, liable to retire by rotation."

"RESOLVED FURTHER THAT any of Directors and/or the Chief Financial Officer and / or the Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts and deeds as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

4. APPROVAL OF LOAN, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013

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

"RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of Rs. 40 Crores (Rupees Forty Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company."

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the AGM is annexed hereto.

NOTICE

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. A person shall not act as a Proxy for more than 50 Members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

4. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.

5. In terms of Section 152 of the Act, Mrs. Tanuja Pudhierkar, Non Executive Non Independent Director, shall retire by rotation at the ensuing AGM. Mrs. Tanuja Pudhierkar (DIN: 08190742, being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends re-appointment of Mrs. Tanuja Pudhierkar.

6. Details of Director's, proposed to be appointed/re-appointed at the ensuing AGM, as required by Secretarial Standards on General Meetings (SS – 2) are forming part of this Notice. Requisite declarations have been received from the Directors for their appointment/ re-appointment.

7. The Company's Statutory Auditors, SGJ & Co, Chartered Accountants, registered with the Institute of Chartered Accountants of India vide registration number 137904W, were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years at the Annual General Meeting ("AGM") of the Members held on 31st August 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought.

   The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

8. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the AGM. A proxy form is enclosed herewith. In case a shareholder wants to appoint a proxy, a duly completed and stamped proxy form must reach the Registered Office of the Company not later than 48 hours before the time of the aforesaid meeting.

9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

10. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 10th September, 2019 to Monday, 16th September, 2019 (both days inclusive).

11. Members are requested to:
    (a) intimate to the Company's RTA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
    (b) intimate to the respective DP, changes, if any, in their registered addresses/email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
    (c) quote their Folio Numbers/Client ID/DP ID in all correspondence; and
    (d) consolidate their holdings into one Folio in case they hold shares under multiple Folios in the identical order of names.

NOTICE

12. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participants in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to DP. Members holdings shares in physical forms are required to submit their PAN details to RTA.

13. Pursuant to sections 101 and 136 of the Act read with the Rules made thereunder, the Notice calling the AGM along with the Annual Report 2018-19 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depositories or the Company's RTA, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. However, in case a Member wishes to receive a physical copy of the Annual Report, he is requested to send an email to cs@marineelectricals.com and vinayak@bigshareonline.com RTA's email ID duly quoting his/her DP ID and Client ID or the Folio number, as the case may be.

    Members are requested to register/update their e-mail addresses with the DP (in case of shares held in dematerialized form) or with RTA (in case of shares held in physical form) which will help us in prompt sending of Notices, Annual Reports and other shareholder communications in electronic form.

14. Members holding shares in physical form are advised to avail the Nomination facility in respect of their shares by filling the prescribed form. Members holding shares in electronic form may contact their DP for recording their Nomination.

15. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office at B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this AGM and also at the AGM.

16. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

17. Voting through electronic means:

In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory modifications, clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the Listing Regulations and SS – 2, the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the AGM ("remote e-Voting") using an electronic voting system provided by National Securities Depository Limited ("NSDL"), on all the business items set forth in the Notice of AGM and the business may be transacted through such remote e-voting. The instructions for remote e-Voting explain the process and manner for generating/receiving the password and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items:

a. The remote e-Voting period will commence on Thursday, 12th September, 2019 (9.00 a.m) and will end on Sunday, 15th September, 2019 (5.00 p.m). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 09th September, 2019, may cast their votes through remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting after 5.00 pm (IST) on Sunday, 15th September, 2019 and remote e-Voting shall not be allowed beyond the said time.

b. The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being Monday, 09th September, 2019.

c. Once the vote on a resolution is cast by a Member through remote e-Voting, he/she/it shall not be allowed to change it subsequently.

NOTICE

d. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date, i.e. Monday, 09th September, 2019, may refer to this Notice of the AGM of the Company, posted on Company's website www.marineelectrials.com for detailed procedure with regard to remote e-Voting. The Notice shall also be available at www.evoting.nsdl.com. Any person, who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.

e. In terms of provisions of Section 107 of the Act, since the Company is providing the facility of remote e-voting to Members, there shall be no voting by show of hands at the AGM. The Company is also offering facility for voting by way of polling papers at the AGM for the Members attending the meeting who have not cast their vote by remote e-Voting.

f. A member may participate in the AGM even after exercising his right to vote through remote e-Voting, but cannot vote again at the AGM.

g. If a Member casts votes by both modes i.e. remote e-voting and polling papers at the AGM, then voting done through remote e-voting shall prevail and polling paper shall be treated as invalid.

h. The Company has appointed Ms. Akansha Rathi, Practicing Company Secretary (Membership No. 9288) from M/s Akansha Rathi & Associates, Company Secretaries in Practice, as the Scrutinizer to scrutinize the voting and remote e-Voting process in a fair and transparent manner.

I. The Scrutinizer shall, immediately after the conclusion of the AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company.The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman or any other person authorised by the Chairman, shall declare the result of the voting forthwith.

j. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website www.marineelectricals.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman.

The instructions for shareholders voting electronically are as under:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

NOTICE

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In 300***and Client ID is 12 ****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) Physical User Reset Password?" If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

NOTICE

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by clicking on the print option on the confirmation page.

8.Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akansha@akansharathi.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

A. Ms. Pallavi Mhatre, Manager
E-voting Helpdesk
National Securities Depositories Limited
Email: evoting@nsdl.co.in
Phone: 022 - 24994545

B. Ms. Reesha Ratanpal, Company Secretary and Compliance Officer
Marine Electricals (India) Limited
Registered Address: B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093
Email: cs@marineelectricals.com
Phone: 022 40334300

C. Mr. Vinayak Morbale
Bigshare Services Pvt Ltd (RTA)
Registered Office: Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,
Makwana Road Marol, Andheri – East, Mumbai – 400059
Email: vinayak@bigshareonline.com
Phone: 022 62638200

18. Members desirous of asking any questions at the AGM are requested to send in their questions so as to reach the Company at least 10 days before the AGM, so that the same can be suitably replied.
19. The Landmark and routemap to the venue of the AGM is attached and forms a part of this Notice.

Registered Office:
B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093
CIN : U31907MH2007PLC176443
Email ID : cs@marineelectricals.com
Website: www.marineelectricals.com
Tel No : 91-22- 4033 4300

By Order of the Board of Directors
Sd/-
Mr. Vinay Uchil
Chairman and Wholetime Director
DIN: 01276871

Mumbai, 23rd May, 2019

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Act

Pursuant to Regulation 36(3) of the Listing Regulations read with Section 102 of the Act, the following explanatory statement sets out all material facts relating to Item No. 3 and 4 of the Notice

Item No 3:

The Board of Directors, pursuant to the recommendation of the Nomination and Remuneration Committee of the Board appointed Mr. Shailendra Shukla as an Additional Director designated as Non-Executive Non-Independent Director of the Company with effect from 07th December, 2018. He holds office of Director up to this AGM. The Company has received notice from a member, under Section 160 (1) of the Act, signifying his intention to propose the appointment of Mr. Shailendra Shukla as Director to be designated as Non-Executive Non Independent Director of the Company. Mr. Shailendra Shukla is not disqualified from being appointed as Director in terms of provisions of Section 164(2) of the Act.

Mr Shailendra Shukla is a person of integrity and possesses appropriate skills, experience, knowledge and qualifications in his respective field which are beneficial to the interests of the Company. In the opinion of the Board, Mr. Shailendra Shukla fulfills the conditions for appointment as a Director as specified in the Act and the Rules made thereunder. As per disclosures received, Mr. Shailendra Shukla do not hold any shares in the Company.

Brief profile of Mr. Shailendra Shukla as required under Regulation 36(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings (SS–2) issued by the Institute of Company Secretaries of India (ICSI), is forming a part of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr Shailendra Shukla is in any way, concerned or interested in the Resolution at Item No. 3 of the Notice.

Item No 4:

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities. The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment

The Board recommends the resolution at Item No. 4 of this Notice for approval of Members as a special resolution.

All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

Registered Office:
B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093
CIN : U31907MH2007PLC176443
Email ID : cs@marineelectricals.com
Website: www.marineelectricals.com
Tel No : 91-22- 4033 4300

By Order of the Board of Directors
Sd/-
Mr. Vinay Uchil
Chairman and Wholetime Director
DIN: 01276871

Mumbai, 23rd May, 2019

ANNEXURE AND ROUTE MAP

DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE FORTHCOMING AGM AS REQUIRED BY REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS") AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS – 2)

Name of Director	Mr. Shailendra Shukla	Mrs. Tanuja Pudhierkar
DIN	08049885	08190742
Date of 1st Appointment	07th December, 2018	01st August, 2018
Date of birth and Age	27th January, 1968 and 51 Years	27th January, 1973 and 46 Years
Qualification	B.E. (Electronic and Communication), PG in Weapon Control Systems Masters in Administrative Management	M.Din Obstetrics, & Gynaecology
Experience	30 Years	20 years
Terms and conditions of reappointment along with details of remuneration sought to be paid	Non-Executive, Non Independent Director liable to retire by rotation	Non-Executive, Non Independent Director liable to retire by rotation
Last Drawn Remuneration:	Nil	Nil
Relationship with Other Directors, Manager and Other Key Managerial Personnel of the Company:	None	Sister of Mr. Vinay Uchil, Chairman and Whole Time Director and Mr. Venkatesh Uchil, Managing Director
Shareholding in the Company (Individually or Jointly):	Nil	200 Shares
Number of Meetings of the Board Attended during the Year:	Nil	2 Meetings
Directorship and Committee Memberships (Excluding Marine Electricals (India) Limited)	Voks Ship Management Private Limited	None
Justification for choosing the appointees for appointment as Independent Directors	NA	NA

Registered Office:
B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093
CIN : U31907MH2007PLC176443
Email ID : cs@marineelectricals.com
Website: www.marineelectricals.com
Tel No : 91-22- 4033 4300

By Order of the Board of Directors
Sd/-
Mr. Vinay Uchil
Chairman and Wholetime Director
DIN: 01276871

Mumbai, 23rd May, 2019



DIRECTOR'S REPORT

To,

The Members,

Marine Electricals (India) Ltd.

Your Directors are pleased to present the 12th Annual Report of your Company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31st March, 2019.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

Certain key aspects of your Company's performance during the Financial Year ended 31st March, 2019 as compared to the previous Financial Year are summarised below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Total income	32,604.66	28,957.99	40,380.47	37,178.38
Expenses	30,532.20	26,299.17	37,767.62	33,736.05
Profit before Interest, Depreciation and Taxation	2,072.46	2,658.82	2,612.85	3,442.33
Interest and bank charges	634.17	497.90	841.05	652.17
Depreciation and Amortization	344.13	391.96	485.58	523.41
Profit before tax	1,094.16	1,768.96	1,286.22	2,266.75
Less: Provision for current tax & deferred tax	316.44	596.55	370.98	640.65
Profit after taxation	777.72	1,172.41	915.24	1,626.10
Profit for the carried to Reserves	777.72	1,172.41	915.24	1,626.10

The standalone revenue of your Company increased by 12.36 % to Rs. 32,323.03 Lakhs as against Rs. 28,766.39 Lakhs in the previous financial year on account of growth in core electricals business of the Company as well execution of Solar projects. Total exports revenue was Rs.2,110.03 Lakhs as against Rs. 2,321.39 Lakhs in the previous year.

The standalone net profit for the year decreased by 33.66 % to Rs. 777.72 Lakhs as against Rs. 1,172.41 Lakhs in the previous financial year. The drop in margins is mainly on account of costs overrun and delay in execution of its maiden Solar projects for various reasons.

The Consolidated revenue of your Company increased by 8.42 % to Rs. 39,984.13 Lakhs as against Rs.36,880.49 Lakh in the previous financial year. The Consolidated net profit for the year decreased by 43.72 % to Rs.915.24 Lakhs as against Rs.1,626.10 Lakhs in previous year. The drop in consolidated margins is mainly because of cost overrun and delay in Solar projects and Loss in one of its subsidiary.

There has been no change in the nature of business of your Company during the year under review.

2. DIVIDEND

With a view to conserve the resources of the Company, your directors do not recommend any dividend for the financial year ended 31st March 2019.

3. SHARE CAPITAL

During the year under review, your Company has issued and allotted 64,96,000 Equity shares of face value of Rs. 10 each, issued at Rs. 66 each equity share including a premium of Rs.56 per equity share pursuant to its maiden initial public offering (IPO). These shares have been listed on 11th October, 2018 at the SME (Small & Medium enterprises) Emerge platform of National Stock Exchange (NSE)

PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES,PREFERENTIAL ISSUES, ETC.

During the year ended 31st March, 2019, the IPO proceeds from public issue, which amounts to Gross Proceeds Rs.4,287.36 Lakhs was utilized as the terms of the IPO and a certificate dated 19th March, 2019 from SGJ & Co, Chartered Accountants was obtained toward the utilization as under:

(Rs. In Lakhs)

Particulars	As per prospectus dated 05th October, 2018	Actual Utilization (Refer notes below)
Gross Proceeds from the issue	4,287.36	4,287.36
Less: Issue expense	200.00	199.50
Net Proceeds from the issue	**4,087.36**	**4087.86**
Utilization of net proceeds from the issue (Refer notes below)		
Working Capital requirement	3,200.00	3527.91
General Corporate Purpose	887.36	559.95
Total Utilization	**4087.36**	**4087.36**

Notes:

a. As per prospectus, in case of variations in the actual utilization of funds earmarked for the purpose set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, avilable in respect of the other purposes for which funds are being raised in the issue.

b. The Company had utilized all the funds against the stated objects on or before 15th March, 2019

4. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 ("the Act") and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014, is appended as Annexure I to this Report and is also available on the Company's website www.marineelectricals.com

5. NUMBER OF MEETINGS OF THE BOARD

The Board met Nineteen (19) times in Financial Year 2018-19. Details of the same along with attendance of each director and Key Managerial Personnel (KMP) are mentioned hereunder:

Sr. No	Date of Meeting	Attendance
1.	17th April, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
2.	11thMay, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
3.	12th May, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
4.	07th June, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
5.	14th June, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
6.	11th July, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
7.	20th July, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
8.	26th July, 2018	Mr. Vinay K Uchil (Director) Mr. Venkatesh K Uchil (Director)
9.	01st August, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director)

DIRECTOR'S REPORT

Sr. No	Date of Meeting	Attendance
10.	03rd August, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Sudhir Gupta (Company Secretary) Mr. Rohit Shetty (Chief Financial Officer)
11.	06th August, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Rohit Shetty (Chief Financial Officer) Mr. Sudhir Gupta (Company Secretary)
12.	11th September, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Rohit Shetty (Chief Financial Officer)
13.	14th September, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Rohit Shetty (Chief Financial Officer)
14.	15th September, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Rohit Shetty (Chief Financial Officer)
15.	28th September, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Rohit Shetty (Chief Financial Officer)
16.	09th October, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Rohit Shetty (Chief Financial Officer) Mr. Sudhir Gupta (Company Secretary)
17.	30th November, 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Madan Pendse (Independent Director) Mr. Rohit Shetty (Chief Financial Officer)
18.	07th December 2018	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Madan Pendse (Independent Director) Mr. Nikunj Mishra (Independent Director) Mrs. Tanuja Pudhierkar (Director) Mr. Rohit Shetty (Chief Financial Officer) Ms. Vedashri Chaudhari (Company Secretary & Compliance officer)
19.	19th March 2019	Mr. Vinay K Uchil (Chairman and Whole time Director) Mr. Venkatesh K Uchil (Managing Director) Mr. Madan Pendse (Independent Director) Mr. Nikunj Mishra (Independent Director) Mrs. Tanuja Pudhierkar (Director) Mr. Rohit Shetty (Chief Financial Officer) Ms. Vedashri Chaudhari (Company Secretary & Compliance officer)

6. MEETINGS OF COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee consists of the following Directors:

1. Mr. Madan Pendse Chairman (Chairman and Independent Director)
2. Mr. Nikunj Mishra (Member and Independent Director) and
3. Mr. Venkatesh Uchil (Member and Managing Director)

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Act.

There has been no such incidence where the Board has not accepted the recommendation of the Audit Committee during the year under review.

Meeting and Attendance

The Committee met Two (2) times in Financial Year 2018-19, viz; 07th Dec 2018 and 19th March 2019

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr.Madan Pendse	Chairman and Independent Director	2	2
Mr.Nikunj Mishra	Member and Independent Director	2	2
Mrs. Tanuja Pudhierkar	Member and Non Executive Director	2	2

B. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee comprises of the following Directors:

1. Mr. Madan Pendse Chairman (Chairman and Independent Director)
2. Mr. Nikunj Mishra (Member and Independent Director) and
3. Mrs. Tanuja Pudhierkar (Member and Non Executive Director)

The NRC is in compliance with the provisions of Section 178 of the Act.

Meeting and Attendance

The Committee met One (1) times in Financial Year 2018-19, viz; 07th Dec, 2018

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Madan Pendse	Chairman and Independent Director	2	2
Mr. Nikunj Mishra	Member and Independent Director	2	2
Mrs. Tanuja Pudhierkar	Member and Non Executive Director	2	2

C. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Stakeholders Relationship Committee comprises of following Directors:

1. Mr. Nikunj Mishra (Chairman and Independent Director)
2. Mr. Madan Pendse (Member and Independent Director)
3. Mrs. Tanuja Pudhierkar Member (Member and Non Executive Director)

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Act.

Meeting and Attendance

The Committee met One (1) times in Financial Year 2018-19, viz; 19th March 2019

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Madan Pendse	Chairman and Independent Director	1	1
Mr. Nikunj Mishra	Member and Independent Director	1	1
Mrs. Tanuja Pudhierkar	Member and Non Executive Director	1	1

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Committee consisted of the following Members:

1. Mr. Venkatesh Uchil (Chairman)
2. Mr. Vinay Uchil (Member)

However the committee was reconstituted on 06th August, 2018 as under

1. Mr. Vinay Uchil (Chairman and Wholetime Director)
2. Mrs. Tanuja Pudhierkar (Member and Non Executive Director)
3. Mr. Madan Pendse (Member and Independent Director)
4. Mr. Nikunj Mishra (Member and Independent Director)

The composition of the CSR Committee is in compliance with the provisions of Section 135 of the Act.

Meeting and Attendance

The Committee met One (1) times in Financial Year 2018-19, viz; 18th May 2018.

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Venkatesh Uchil	Chairman	1	1
Mr. Vinay Uchil	Member	1	1

7. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-section 5 of Section 134 of the Companies Act, 2013, the Directors confirm that:

a) In the preparation of the annual accounts for the Financial Year ended 31st March, 2019 the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2019 and of the profit of the company for that period;

c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The directors had prepared the annual accounts for Financial Year ended 31st March, 2019 on a going concern basis; and

e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, the details in respect of adequacy of internal financial controls with reference to the Financial Statements, have been mentioned subsequently in this report.

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

8. DECLARATION BY INDEPENDENT DIRECTORS

Your Company being a listed public limited company, the provisions with regards to the appointment of Independent Directors pursuant to section 149(4) applies to your Company and as stated above Mr. Madan Pendse and Mr. Nikunj Mishra were appointed as Independent Directors.

The Independent Directors have submitted their declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 and Regulation 16 (1)(b) of Listing Regulations as amended from time to time.

Meeting of Independent Directors

A separate meeting of the Independent Directors was held on May 23rd, 2019 under the Chairmanship of Mr. Madan Pendse, Independent Director, interalia,to discuss evaluation of the performance of non-independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

Your Board has adopted a Remuneration Policy for identification, selection and appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The Policy provides criteria for fixing remuneration of the Directors, KMPs, as well as other employees of the Company. The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee. Your Board, on the recommendations of the Nomination and Remuneration Committee, appoints Director(s) of the Company based on his / her eligibility, experience and qualifications and such appointment is approved by the Members of the Company at General Meetings.

Generally, the Managing Director and Whole-time Director (Executive Directors) are appointed for a period of Three years. Independent Directors of the Company are appointed to hold their office for a term of upto five consecutive years on the Board of your Company. Based on their eligibility for re-appointment, the outcome of their performance evaluation and the recommendation by the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of five consecutive years, subject to approval of the Members of the Company. The Directors, KMPs shall retire as per the applicable provisions of the Companies Act, 2013 and the policy of the Company. While determining remuneration of the Directors, KMPs, and other employees, the Nomination and Remuneration Committee ensures that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate them and ensure the quality required to run the Company successfully.

Performance Linked Incentive is determined by overall business performance of your Company. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the Board of Directors and Members of the Company. The Company pays remuneration to Independent Directors by way of sitting fees. Non-Executive Non-Independent Directors of your Company do not accept any sitting fees / commission. Remuneration to Directors is paid within the limits as prescribed under the Companies Act, 2013 and the limits as approved by the Members of the Company, from time to time.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended 31st March, 2019 is in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and the same is annexed to this Report (Annexure – II).

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered during the year 2019 were in the ordinary course of Business and on an arm's length basis. No material related party transactions were entered during the financial year by your company. Members may refer to Note 29.11 to the financial statement which sets out related party disclosures.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 entered by the Company during the Financial Year ended 31st March, 2019 in prescribed Form AOC-2 is annexed to this Report - Annexure III.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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 to which the financial statements relate and the date of the Report.

a) The Company is in the process of Migrating its Equity Shares from Emerge Platform of NSE to Main Board of NSE, subject to necessary approvals.

13. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is appended as Annexure IV to this Report

14. RISK MANAGEMENT FRAMEWORK

Risk and Concerns

Risks and concerns as follows:

There could be possibility of your Company may not be unable to meet certain delivery obligations including timelines of delivery, due to which, it could become liable to claims by customers, suffer adverse publicity and incur substantial costs, which in turn could adversely affect the results of operations of the Company. Business may suffer if the Company fails to keep pace with rapid changes in technology and the industries on which it focuses. Products are being manufactured from manufacturing facilities located in the Mumbai and Goa. Any disruption or suspension in the production process in this facility can significantly impact Company's ability to service customer needs. If Company fails to keep technical knowledge and process know-how confidential, it may suffer a loss of competitive advantage. The Company's business is not of continuous production in nature thus resulting in varied results for different operating periods as well as Balance Sheet situations.

Risk Management Policy

The Board of Directors and the team of professionals employed by the Company in various departments constantly review the risk management of the Company and ensure its effectiveness. The finance team has an additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

However the Company has not faced any risk, which in the opinion of the Board, may threaten the existence of the company.

Policy relating to Risk Management can be accessed on companies website viz; www.marineelectricals.com

15. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure V of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on companies website viz; www.marineelectricals.com

16. VIGIL MECHANISM

The Company has adopted Vigil Mechanism and Whistle Blower Policy for Directors and Employees in compliance with the provisions of Section 177(10) of the Act, to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. During the year no personnel of the Company was denied access to the Audit Committee. The said policy is also available on companies website viz; www.marineelectricals.com

17. ANNUAL EVALUATION AND PERFORMANCE OF THE BOARD

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated after taking inputs from the Directors on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were evaluated after taking inputs from the Committee members on the basis of criteria such as degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

In a separate meeting of independent directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

18. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website www.marineelectricals.com. These documents will also be available for inspection during working hours at our Registered Office of the Company.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website www.marineelectricals.com.

Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures as per Rule 8 of Company's (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended 31st March, 2019 is annexed to this report (Annexure – VI).

19. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT

The Company has neither accepted nor renewed any deposits during the Financial Year 2018-19 in terms of Chapter V of the Act.

20. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders have been passed by any regulator or courts or tribunals which shall impact the going concern status and operations of your Company in future.

21. INTERNAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to financial statements.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 and other applicable provisions, if any, of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015.

The Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.

The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

To broad-base the Board, Mr Shailendra Shukla was appointed as an Additional Director (Non executive Non Independent Director) of the Company w.e.f. 7th December 2018 by the Board of Directors at their meeting held on 7th December, 2018 under Section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting.

A notice under Section 160 of the Companies Act, 2013 is received from a member of the Company proposing candidature of Mr. Shailendra Shukla. The Company has received from Shailendra Shukla i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013.

During the year under review Mr. Venkatesh K. Uchil (DIN: 01282671) and Mr. Vinay K. Uchil (DIN: 01276871) continued to be on the Board of your Company and Mr Madan Pendse, Mr Nikunj Mishra, Mrs Tanuja Pudhierkar and Mr. Shailendra Shukla were appointed as under.

Sr.No	Particulars	Designation	Appointment	Resignation Date
1	Mr.Madan Pendse	Independent Director	11th July,2018	-
2	Mr.Nikunj Mishra	Independent Director	11th July,2018	-
3	Mrs.Tanuja Pudhierkar	Non Executive Director	01st August,2018	-
4	Mr. Shailendra Shukla	Additional Director	07th December,2018	-

KEY MANAGERIAL PERSONNEL (KMP)

The details with respect changes in KMP during the Financial Year 2018-19 is as under:

Sr.No	Particulars	Designation	Appointment Date	Resignation Date
1	Mr.Vinay K Uchil	Chairman & Whole Time Director	01st August,2018	-
2	Mr.Venkatesh K Uchil	Managing Director	01st August,2018	-
3	Mr.Sudhir Gupta	Company Secretary	01st August,2018	16th November 2018
4	Mr.Rohit Shetty	Chief Financial Officer	03rd August,2018	-
5	Ms.Vedashri Chaudhari	Company Secretary	07th December,2018	-

23. AUDITORS

A. STATUTORY AUDITORS

The current statutory auditor SGJ & Co, Chartered Accountants were appointed as Statutory Auditors for a period of 5 years in the last AGM held on 31st August 2018.

Accordingly, SGJ & Co, Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of Annual General Meeting to be held in 2023. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor of the Company, in audit report.

B. INTERNAL AUDITOR

The Board of Directors of the Company have appointed Prasanna V. Pakkala, Chartered Accountant (Membership No: 103201) as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2019.

C. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed CS Abdul Karim Kazi, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended 31st March, 2019. The Secretarial Auditors Report issued by CS Abdul Karim Kazi, Practicing Company Secretaries in Form MR-3 is annexed to this Report (Annexure – VII). The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks.

D. COST AUDITOR

Maintenance of cost records as specified by the Central Government under Section 148 of the Companies Act 2013 is not applicable to the Company.

24. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34(2) read with Schedule V of the Listing Regulations, Management and Discussion and Analysis Report is been annexed at Annexure VIII

26. PARTICULARS OF EMPLOYEES

A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure IX and forms an integral part of this annual report.

The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

The disclosures in terms of the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure X to this Report.

27. EMPLOYEES STOCK OPTION SCHEME

Your company has not granted any Employee Stock Options during the year under review.

28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has devised a round Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013 with the proper composition of members.

The Company is committed to provide a safe and conducive work environment to its employees. Your Directors further state that, during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

29. COMPLIANCE OF THE SECRETARIAL STANDARDS

During the financial year, the Company has complied with the applicable Secretarial Standards i.e SS-1 and SS-2 as issued by the Institute of the Company Secretaries of India.

30. CORPORATE GOVERNANCE

Since the Company' securities are listed on Emerge SME Platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this Report.

31. ACKNOWLEDGMENTS

Your Directors express their sincere appreciation for the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

On behalf of the board of directors

Sd/-	**Sd/-**
Mr. Venkatesh K. Uchil	**Mr. Vinay K. Uchil**
Managing Director	**Chairman and Whole Time Director**
DIN: 01282671	**DIN: 01276871**

Date: 23rd May 2019
Place: Mumbai

ANNEXURES TO DIRECTOR'S REPORT

ANNEXURE-I

Form No. MGT-9

Extract Of Annual Return

As on the Financial Year ended 31st March, 2019

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

1. REGISTRATION AND OTHER DETAILS:

i	CIN	U31907MH2007PTC176443
ii	Registration Date	04/12/2007
iii	Name of the Company	Marine Electricals (India) Limited
iv	Category/Sub-Category of the Company	Category: Company Limited by Shares Sub Category: Indian Non-Government Company
v	Address of the Registered office and contact details	B/1, Udyog Sadan No. 3, MIDC, Andheri (East), Mumbai-400093 Email ID: marine@bom4.vsnl.net.in Tel No: 91-22-40334300 Fax No: 91-22-28364045
vi	Whether listed company (Yes / No)	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Big Share Services Private Limited Registrar and Share Transfer Agent 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri E, Mumbai – 400 059 Email ID: info@bigshareonline.com Tel No: 91-22-62638200 Fax No: 91-22-62638299

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of control panels	2710	54.51
2.	Manufacture of Solar Equipments	3510	26.87
3.	Services related to Solar Equipments	3510	13.33

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	%of shares held	Applicable Section
1.	KDU Enterprise Pvt. Ltd. B/2, Udyog Sadan, no. 3, Marol Industrial Area, MIDC, Seepz, Andheri (East) Mumbai - 400093	U31401MH1982PTC027850	Holding	51.69	2(46)
2.	MEL Power Systems FZC	--	Subsidiary	90.00	2(87)(ii)
3.	Eltech Engineers Madras Private Limited No. 92, 1st Main Road, Nehry Nagar, Old Mahabalipuram Road, Chennai - 600 041	U29142TN1996PTC036500	Subsidiary	70.00	2(87)(ii)
4.	STI Company SRL	--	Stepdown- Subsidiary	75.00	2(87)(ii)
5.	Technology Ventures Middle East (FZC) (Incorporated on 11.06.2018)	--	Associate	50.00	2(6)

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

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. **Promoter**									
1. **Indian**									
a) Individual/ HUF	-	5354875	5354875	29.689	5354675	-	5354675	21.83*	7.86
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	12681375	12681375	70.310	12681375	-	12681375	51.69*	18.62
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other 1.Director/Director's Relative	-	-	-	-	200	-	200	0.00	0.00
Sub-total(A)(1):-	-	18036250	18036250	99.999	18036250	-	18036250	73.52*	26.48
2. **Foreign**									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of	-	18036250	18036250	99.999	18036250	-	1803625	73.52*	26.48

Promoter (A) = (A)(1)+(A)(2)							0		
B. **Public Shareholding**									
1. **Institutions**	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian	-	-	-	-	2316707	-	2316707	9.44	(9.44)
(ii) Overseas									
b) Individuals (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	800	800	0.001	385293	800	386093	1.57	(1.57)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh					2968000	-	2968000	12.10	(12.10)
c) Others (Specify)	-	-	-	-	14000	-	14000	0.06	(0.06)
d) **i.** Non-Resident Individuals									
ii. Trusts	-	-	-	-	-	-	-	-	-
iii. Clearing Members	-	-	-	-	812000	-	812000	3.31	(3.31)
Sub-total(B)(2)	-	800	800	0.001	6496000	800	6496800	26.48	26.48
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	800	800	0.001	6496000	800	6496800	26.48	26.48
A. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	18037050	18037050	100	24532250	800	24533050	100	-

* change in percentage is on account of allotment of shares pursuant to IPO and the same got listed on 11th October, 2018 on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE")

ii. Shareholding of Promoters & Promoter Group

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered	
M/s KDU Enterprises Pvt. LTD	1,26,81,375	70.310	0	1,26,81,375	51.69	0	18.62
Mr. Venkatesh K. Uchil	53,54,475	29.687	0	53,54,475	21.83	0	7.86
Mr. Vinay K. Uchil	200	0.001	0	200	0.0	0	0.001
Mrs. Tanuja Pudhierkar	200	0.001	0	200	0.0	0	0.001
Total	**1,80,36,250**	**99.999**	**0**	**1,80,36,250**	**73.52**	**0**	**0**

* change in percentage is on account of allotment of shares pursuant to IPO and the same got listed on 11th October, 2018 on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE")

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

No	At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M/s KDU Enterprises Pvt. Ltd	1,26,81,375	70.310	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	1,26,81,375	51.69*
2	Mr. Venkatesh K Uchil	53,54,475	29.687	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	-	-	53,54,475	21.83*
3	Mr. Vinay K Uchil	200	0.001	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	-	-	200	0.00*

ANNEXURES TO DIRECTOR'S REPORT

No	At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Mrs. Tanuja D Pudhierkar	200	0.001	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	-	-	200	0.00*

* change in percentage is on account of allotment of shares pursuant to IPO and the same got listed on 11th October, 2018 on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE")

iv. Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders GDRS and ADRS):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year	
Name	No. of Shares	% of total Shares of the Company	Date	Inc/Decrease in shareholding	No. of Shares	No. of Shares	% of total Shares of the Company
1. Chirag Sevantilal Shah							
At the beginning of the year	N.A.						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	16.11.2018	Increase	3,00,000	3,00,000	1.22
At the End of the year (or on the date of separation, if separated during the year)	**3,00,000**	**1.22**	-	-	-	**3,00,000**	**1.22**
2. Sajankumar Rameshwarlal Bajaj							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	21.12.2018 25.01.2019 01.02.2019 08.02.2019	Increase Increase Increase Increase	2,38,000 54,000 38,000 52,000	2,38,000 2,92,000 3,30,000 3,82,000	0.97 1.19 1.35 1.56
At the End of the year (or on the date of separation, if separated during the year)	**3,82,000**	**1.56**	-	-	-	**3,82,000**	**1.56**
3. Sharmila Gaurang Vasani							
At the beginning of the year	NA						

Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	08.10.2018	Increase	94,000	94,000	0.38
			19.10.2018	Increase	1,10,000	2,04,000	0.83
			26.10.2018	Decrease	(16,000)	1,88,000	0.77
			02.11.2018	Decrease	(42,000)	1,46,000	0.60
			09.11.2018	Increase	82,000	2,28,000	0.93
			01.02.2019	Increase	54,000	2,82,000	1.15
			08.03.2019	Decrease	(4,000)	2,78,000	1.13
At the End of the year (or on the date of separation, if separated during the year)	**2,78,000**	**1.13**	-	-	-	**2,78,000**	**1.13**
4.Shradha Manish Mehta							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	19.10.2018	Increase	7,40,000	7,40,000	3.02
At the End of the year (or on the date of separation, if separated during the year)	**7,40,000**	**3.02**	-	-	-	**7,40,000**	**3.02**
5.Aryaman Capital Markets Limited							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	08.10.2018	Increase	3,36,000	3,36,000	1.37
			19.10.2018	Decrease	(38,000)	2,98,000	1.21
			26.10.2018	Decrease	(2,08,000)	90,000	0.37
			02.11.2018	Decrease	(14,000)	76,000	0.31
			09.11.2018	Increase	1,04,000	1,80,000	0.73
			30.11.2018	Increase	2,000	1,82,000	0.74
			07.12.2018	Decrease	(2,000)	1,80,000	0.73
			14.12.2018	Increase	4,000	1,84,000	0.75
			21.12.2018	Decrease	(36,000)	1,48,000	0.60
			28.12.2018	Increase	10,000	1,58,000	0.64
			31.12.2018	Increase	18,000	1,76,000	0.72
			04.01.2019	Increase	8,000	1,84,000	0.75
			11.01.2019	Decrease	(24,000)	1,60,000	0.65
			18.01.2019	Increase	24,000	1,84,000	0.75
			25.01.2019	Decrease	(14,000)	1,70,000	0.69
			01.02.2019	Decrease	(60,000)	1,10,000	0.45
			08.02.2019	Increase	36,000	1,46,000	0.60
			22.02.2019	Increase	28,000	1,74,000	0.71
			01.03.2019	Decrease	(2,000)	1,72,000	0.70
			08.03.2019	Increase	4,000	1,76,000	0.72
			22.03.2019	Increase	2,000	1,78,000	0.73
			29.03.2019	Increase	70,000	2,48,000	1.01
At the End of the year (or on the date of separation, if separated during the year)	**2,48,000**	**1.01**	-	-	-	**2,48,000**	**1.01**

6.K R Developers LLP							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	19.10.2019	Increase	450000	450000	1.83
At the End of the year (or on the date of separation, if separated during the year)	**4,50,000**	**1.83**	-	-	-	**4,50,000**	**1.83**
7.Overskud Multi Asset Management Private Ltd							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	19.10.2018	Increase	30,000	30,000	0.12
			26.10.2018	Decrease	(30,000)	0	0.00
			02.11.2018	Increase	40,000	40,000	0.16
			07.12.2018	Increase	66,000	1,06,000	0.43
			21.12.2018	Increase	2,46,000	3,52,000	1.43
			28.12.2018	Increase	20,000	3,72,000	1.52
			31.12.2018	Increase	2,000	3,74,000	1.52
			04.01.2019	Increase	10,000	3,84,000	1.57
			18.01.2019	Increase	2,000	3,86,000	1.57
			25.01.2019	Increase	10,000	3,96,000	1.61
			29.03.2019	Decrease	(70,000)	3,26,000	1.33
At the End of the year (or on the date of separation, if separated during the year)	**3,26,000**	**1.33**	-	-	-	**3,26,000**	**1.33**
8.Subhrashi Properties Private Limited							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	19.10.2018	Increase	2,74,000	2,74,000	1.12
At the End of the year (or on the date of separation, if separated during the year)	**2,74,000**	**1.12**	-	-	-	**2,74,000**	**1.12**
9.Orbis Financial Corporation Limited							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			04.01.2019	Increase	2,40,000	2,40,000	0.98
			15.02.2019	Increase	2,40,000	4,80,000	1.96
			22.02.2019	Increase	2,40,000	7,20,000	2.93
At the End of the year (or on the date of separation, if separated during the year)	**7,20,000**	**2.93**				**7,20,000**	**2.93**

10.BSR Finance & Construction Limited							
At the beginning of the year	NA						
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	02.11.2018 30.11.2018	Increase Increase	1,40,000 1,02,000	1,40,000 2,42,000	0.57 0.99
At the End of the year (or on the date of separation, if separated during the year)	**2,42,000**	**0.99**	-	-	-	**2,42,000**	**0.99**

v. Shareholding of Directors and key Managerial personnel:

Sl. No.	**For Each of the Directors and KMP**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	At the beginning of the year	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Venkatesh K Uchil (Managing Director w.e.f 01.08.2018)	53,54,475	29.687	53,54,475	21.83*
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	0	0.00
	At the end of the year			53,54,475	21.83*
2	Mr. Vinay K Uchil (Chairman and Whole Time Director w.e.f 01.08.2018)	200	0.001	200	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	200	0.001	200	0.00*
3	Mrs.Tanuja D Pudhierkar (Non Executive Director)	200	0.001	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	200	0.00	200	0.00*
4	Mr. Nikunj Mishra (Independent Director w.e.f 31.08.2018)	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	-	0.00
	At the end of the year	0	0.00	-	0.00
5	Mr. Madan Pendse (Independent Director w.e.f 31.08.2018)	0	0.00	-	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	-	0.00
	At the end of the year	0	0.00	-	0.00

6	Mr. Shailendra Shukla (Additional Director w.e.f 07.12.2018)	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
7	Mr. Sudhir Gupta (Company Secretary, appointed w.e.f 01.08.2018 and resigned w.e.f 16.11.2018)	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
8	Ms. Vedashri Chaudhari (Company Secretary, appointed w.e.f 07.12.2018)	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
9	Mr. Rohit Shetty (Chief Financial Officer, appointed w.e.f 03.08.2018)	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00

* change in percentage is on account of allotment of shares pursuant to IPO and the same got listed on 11th October, 2018 on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE")

V. INDEBTEDNESS

a) Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	33,07,90,130	38,28,110	0	33,46,18,240
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total(i+ii+iii)	**33,07,90,130**	**38,28,110**	**0**	**33,46,18,240**
Change in Indebtedness during the financial year				
Addition	12,88,59,092	0	0	12,88,59,092
Reduction	(3,72,56,120)	(3828110)	0	(4,10,84,230)
Net Change	**9,16,02,972**	**(3828110)**	**0**	**8,77,74,862**
Indebtedness at the end of the financial year				
i) Principal Amount	42,23,93,102	0	0	42,23,93,102
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**42,23,93,102**	**0**	**0**	**42,23,93,102**

ANNEXURES TO DIRECTOR'S REPORT

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	Name of the Director		Total Amount
	Mr. Vinay Uchil (Chairman and Whole Time Director)	Mr. Venkatesh Uchil (Managing Direcror)	
Gross salary a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section17(3) Income-tax Act,1961	48,00,000	48,00,000	96,00,000
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - others, specify…	-	-	-
Others, please specify	-	-	-
Total(A)	**48,00,000**	**48,00,000**	**96,00,000**
Ceiling as per the Act	1,76,89,561.80		

B) Remuneration to other directors:

Particulars of Remuneration	Name of Directors		Total Amount
	Madan Pendse Independent Director	Nikunj Mishra Independent Director	
. Fee for attending board committee meetings ·Commission ·Others, please specify	87,500	87,500	1,75,000
Total (1)	87,500	87,500	1,75,000
Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-
Total (2)			
Total(B)=(1+2)	87,500	87,500	1,75,000
Total Managerial Remuneration to Non executive Directors	-	-	NIL
Overall ceiling as per the Act for Directors who are neither Managing Director nor whole time Director (1% of Net Profits calculated as per provisions of Section 198 of the Companies Act)	-	-	17,68,956

ANNEXURES TO DIRECTOR'S REPORT

C) Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Particulars of Remuneration	Key Managerial Personnel			
	CEO	Company Secretary	CFO	Total
		Mr. Sudhir Gupta (Company Secretary from 01/08/ 2018 till 16/11/2018)	Ms. Vedashri Chaudhari (from 07/12/2018 till 31/03/2019)	Mr. Rohit Shetty (From 03/08 2018 till 31/03/2019)	
Gross salary (a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	70,000	99,500	16,00,000	17,69,500
Stock Option	-	-		-	-
Sweat Equity	-	-		-	-
Commission - as % of profit -others, specify…	-	-		-	-
Others, please specify Company's contribution to provident Fund	-	-	500	-	500
Total	**-**	**70.000**	**1,00,000**	**16,00,000**	**17,70,000**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the board of directors

Sd/-
Mr. Venkatesh K. Uchil
Managing Director
DIN: 01282671

Sd/-
Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01276871

Date: 23rd May 2019
Place: Mumbai

ANNEXURES TO DIRECTOR'S REPORT

ANNEXURE-II

Particulars Of Loans, Guarantees Or Investments and Security and Acquisition Under Section 186 of the Companies Act 2013:

Nature of transaction (whether loan/ guarantee/ security/ acquisition) (1)	Date of making loan/acquisition/ giving guarantee/ providing Security (2)	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities) (3)	Amount of loan/ security/ acquisition/ Guarantee (In Indian Rupees Lakhs) (4)	Time period for which it is made/ given (5)	Date of passing Board resolution (6)	Purpose of loan/ security/ acquisition/ Guarantee (7)	For loans	
							Rate of interest (8)	Date of maturity (9)
Loan	1.06.2018	Eltech Engineers Madras Pvt Ltd	50	As mutually agreed	17.04.2018	General Corporate Purpose	10% p.a.	31.05.2019
Acquisition	28.09.2018	Narhari Engineering Works	550	As mutually agreed	28.09.2018	General Working Purpose	NA	NA

On behalf of the board of directors

Sd/-
Mr. Venkatesh K. Uchil
Managing Director
DIN: 01282671

Sd/-
Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01276871

Date: 23rd May 2019
Place: Mumbai

ANNEXURES TO DIRECTOR'S REPORT

ANNEXURE III

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1.Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis: NIL

Note: All related party transactions are approved by Audit Committee and reviewed by Statutory Auditors and Board of Directors.

On behalf of the board of directors

Sd/-	**Sd/-**
Mr. Venkatesh K. Uchil	**Mr. Vinay K. Uchil**
Managing Director	**Chairman and Whole Time Director**
DIN: 01282671	**DIN: 01276871**

Date: 23rd May 2019
Place: Mumbai

ANNEXURES TO DIRECTOR'S REPORT

ANNEXURE IV

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTFLOW

Energy conservation continues to be an area of focus for your Company. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices.

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) **Conservation of Energy**

Your Company has taken sufficient steps to conserve energy by monitoring the use thereby resulting in savings for the company.

b) **Technology Absorption**

The Company is using latest technology for manufacturing of the products and same has been fully absorbed. The Company is continuously improving its quality and installed latest equipment and new testing and measuring equipment. Indigenous technology available is continuously being upgraded to improve overall performance. Indigenous technology available is continuously being upgraded to improve over all performance.

c) **Expenditure on Research & Development**

Your company has in addition to R&D facility in Mumbai started a R&D facility in Kochi to increase new product development. We have already designed two new products in the year which will commercially sold in the next financial year. Also our new team of very senior engineers have bought improvements in all our existing products developed by the company in the past.

d) **Foreign Exchange Earnings/ Outgo (Rs: in Lakhs):**

Foreign Exchange Earnings: Rs. 2110.03

Foreign Exchange Outgo: Rs. 164.6

On behalf of the board of directors

Sd/-	**Sd/-**
Mr. Venkatesh K. Uchil	**Mr. Vinay K. Uchil**
Managing Director	**Chairman and Whole Time Director**
DIN: 01282671	**DIN: 01276871**

Date: 23rd May 2019
Place: Mumbai

ANNEXURE V

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes: Marine, CSR Policy is focused on enhancing the lives of the local community in which it operates. This takes shapes by way of providing a better quality of life for the people in the communities in which the Company operates. We strongly believe in contributing towards the betterment of society and endeavor to create a positive impact, while achieving our business goals. The CSR Policy can be accessed on company's website viz; www.marineelectricals.com
2. The composition of the CSR committee: The Company has a CSR committee of directors comprising of Mr. Vinay Uchil – Chairman and Mrs Tanuja Pudhierkar, Mr Nikunj Mishra And Mr Madan Pendse as member
3. Average net profit of the company for last three financial years for the purpose of computation of CSR: Rs.94,326,106
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs.1,886,522
5. Details of CSR spent during the financial year: Rs.850,000
   a. Total amount to be spent for the financial year: Rs.1,886,522
   b. Amount unspent: Rs. 10,36,522
   c. Manner in which the amount spent during the financial year: As detailed below

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) specify the state and District where projects or programmes were undertaken	Amount Outlay (Budget) Project or programmes wise	Amount spent on theprojects or programmes Subheads: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Promoting healthcare	Healthcare	All over India	Rs. 6 00,000	(I) Rs. 600,000	Rs.600,000	Amount was spent through Amrita Trust
2.				Rs. 200,000	(I) Rs.200,000	Rs.200,000	Vatsalya Charitable Trust
3.	Promoting Education	Education	Local Area	Rs. 50,000	(I) Rs. 50,000	Rs.50,000	Rotary Club of MumbaiKandivli West Charitable Trust

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Your company is in the process of identifying more projects in line with the CSR policy, in order to enable your Company to spend the entire amounts kept aside for the CSR spends. It is because of lack of suitable projects that your Company was unable to spend the entire amount of CSR during the financial year.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company. We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company: We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

On behalf of the board of directors

Sd/-	**Sd/-**
Mr. Venkatesh K. Uchil	**Mr. Vinay K. Uchil**
Managing Director	**Chairman and Whole Time Director**
DIN: 01282671	**DIN: 01276871**

Date: 23rd May 2019
Place: Mumbai

ANNEXURES TO DIRECTOR'S REPORT

ANNEXURE VI

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries (Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Name of the subsidiary	MEL Power Systems FZC	Eltech Engineers Madras Private Limited	STI Company SRL
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	From 1st April to 31st March	From 1st April to 31st March	From 1st January to 31st December
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED 1AED: Rs.18.90	INR	EURO 1 EURO: Rs. 78.13
3	Share capital	28,35,000	30,00,000	10,43,03,550
4	Reserves & surplus	23,03,14,228	(2,90,34,772)	2,95,07,357
5	Total assets	38,56,52,856	3,63,34,279	47,05,59,567
6	Total Liabilities	38,56,52,856	3,63,34,279	47,05,59,567
7	Investments	7,86,70,929	-	3,10,39,252
8	Turnover	28,68,02,057	12,87,86,875	20,59,87,089
9	Profit before taxation	1,32,10,514	(1,05,24,465)	39,73,223
10	Provision for taxation	Nil	Nil	29,79,722
11	Profit after taxation	1,32,10,514	(1,05,24,465)	9,93,501
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	90%	70%	67.50%

Names of subsidiaries, which are yet to commence operations: Nil

Names of subsidiaries, which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Technology Ventures Middle east FZC
1. Latest audited Balance Sheet Date	31st December 2018
2. Shares of Associate/Joint Ventures held by the company on the year end.	45%
Amount of Investment in Associates/Joint Venture	AED 75,000
Extend of Holding %	50%
3. Description of how there is significant influence	Companies Subsidiary has 50% share in Company
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet.	AED 10,703,521
6. Profit / Loss for the year	AED 1344524
I. Considered in Consolidation II. Not Considered in Consolidation	Yes

ANNEXURES TO DIRECTOR'S REPORT

1. Names of associates or joint ventures, which are yet to commence operations: Nil
2. Names of associates or joint ventures, which have been liquidated or sold during the year: Nil

On behalf of the board of directors

Sd/-	**Sd/-**
Mr. Venkatesh K. Uchil	**Mr. Vinay K. Uchil**
Managing Director	**Chairman and Whole Time Director**
DIN: 01282671	**DIN: 01276871**

Date: 23rd May 2019
Place: Mumbai

ANNEXURES TO DIRECTOR'S REPORT

ANNEXURE VII

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

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

To,

The Members,

Marine Electricals (India) Limited

CIN : U31907MH2007PLC176443

B/1, Udyog Sadan No.3, MIDC,

Andheri (E), Mumbai - 400093

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Marine Electricals (India) Limited {formerly Marine Electricals (India) Private Limited} (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]

(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, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) 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.

(vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:

a) Legal Metrology Act, 2009;

b) Batteries (Management and Handling) Rules, 2001;

c) The Electricity Act, 2003;

d) Water (Prevention and Control of Pollution) Act, 1974;

e) Air (Prevention and Control of Pollution) Act, 1981;

f) Environment Protection Act, 1986;

g) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

h) Water (Prevention & Control of Pollution) Cess Act, 1977 ("Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 ("Water Cess Rules");

I) Factories Act, 1948;

And all other applicable Laws related to all labour laws and other applicable laws.

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

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE). The Company was listed on NSE on 11th October 2018;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above, subject to the following observations:-

i) The special resolution passed by the Shareholders of the Company pursuant to Section 185 of the Act, in their extra ordinary general meeting held on 1st June 2018 was filed with the Registrar of Companies vide SRN : H44821684, with additional filing fees;

ii) The eform for appointment of Mr. Shailendra Kumar Shukla (DIN : 08049885) as an Additional Director of the Company and appointment of Ms. Vedashri Chaudhari as Company Secretary of the Company, both w.e.f 7th December 2018 was file with the Registrar of Companies vide SRN : H42106971, with additional filing fees;

iii) The Reconciliation of Share Capital Audit for the quarter ended 31st December 2018 was filed with NSE in the month on 15th February 2019;

iv) The Company was unable to spend the entire amount of CSR spends, as stipulated under the Act and thus had a shortfall of CSR spends to the extent of Rs. 10,36,522/-.

During the period under review, provisions of the following regulations were not applicable to the Company:-

i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I further report that:-

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed

notes on agenda were sent at least seven days in advance. Where the meeting of the Board was called at shorter notice to transact urgent business, at least one Independent Director was present at such meeting.

All the decisions of the Board and Committees thereof were carried out with requisite majority.

It was observed that prior to the listing of the Company, advances / loans were advanced to a Company in which Director of the Company were interested and to firms in which Directors of the Company are partners. The Company had also paid statutory expenses on behalf of related parties, wherein directors are interested.

There are systems and processes in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has carried out the following specific events which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:-

i) The Company has made Initial Public Offering;

ii) The Company has received a major order for from MRF Limited

CS Abdul Karim Kazi
Practicing Company Secretary
Membership No : FCS 9088
CP No : 9538

Date : 22nd May, 2019
Place : Mumbai

ANNEXURES TO DIRECTOR'S REPORT

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

To,

The Members,

Marine Electricals (India) Limited

CIN : U31907MH2007PLC176443

B/1, Udyog Sadan No.3, MIDC,

Andheri (E), Mumbai - 400093

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of 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.

CS Abdul Karim Kazi
Practicing Company Secretary
Membership No : FCS 9088
CP No : 9538

Date : 22nd May, 2019
Place : Mumbai

ANNEXURE VIII

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Company's business

Marine Electricals' business prospects are linked to the growth of Electrical Power Generation and Distribution needs of India and neighboring countries having MEIL footprint. In addition, the growth of Marine / Shipping industry also brings significant opportunities and value proposition to our services business concentrated in India and middle-east. The Management Discussion and Analysis of MEIL therefore focuses on the trends and business opportunities emerging from these sectors and analyses our competitive positioning in these businesses.

Performance of the Company

The Key Financials Parameters as on 31st March 2019 on Standalone and Consolidated basis are as follows:

Standalone

Particulars	2019	2018
Debt/Equity Ratio	0.45	0.07
Debtor Turnover Ratio	2.28	2.57
Interest Coverage Ratio	2.72	4.55
Current Ratio	1.54	1.11
Operating Profit Ratio	16.85%	20%
Net Profit Ratio	2.40%	4.08%

Consolidated

Particulars	2019	2018
Debt/Equity Ratio	0.52	0.18
Debtor Turnover Ratio	2.14	2.48
Interest Coverage Ratio	2.53	4.48
Current Ratio	1.57	1.16
Operating Profit Ratio	19.43%	22.32%
Net Profit Ratio	2.30%	4.27%

Performance of each segment

Our Company is mainly dealing into two segments viz Electricals & Electronics and Solar. The Company has been receiving orders from customers for Electricals & Electronics segment on regular basis. Solar segment largely being EPC projects business so the Company is moving slow on getting new projects in this segment as the existing two Solar projects which are still in progress and moving towards completion. The Company achieved revenues of Rs. 193.27 Crores for Electricals & Electronics segment and Rs. 129.96 Crores for Solar segment during FY 2018-19 as against Rs. 214.04 Crores for Electricals & Electronics segment and Rs. 73.62 Crores for Solar segment during FY 2017-18. The Company achieved gross profit of Rs. 20.46 Crores for Electricals & Electronics segment and Rs. (5.77) Crores for Solar segment during FY 2018-19 as against Rs. 20.91 Crores for Electricals & Electronics segment and Rs. 0.17 Crores for Solar segment during FY 2017-18.

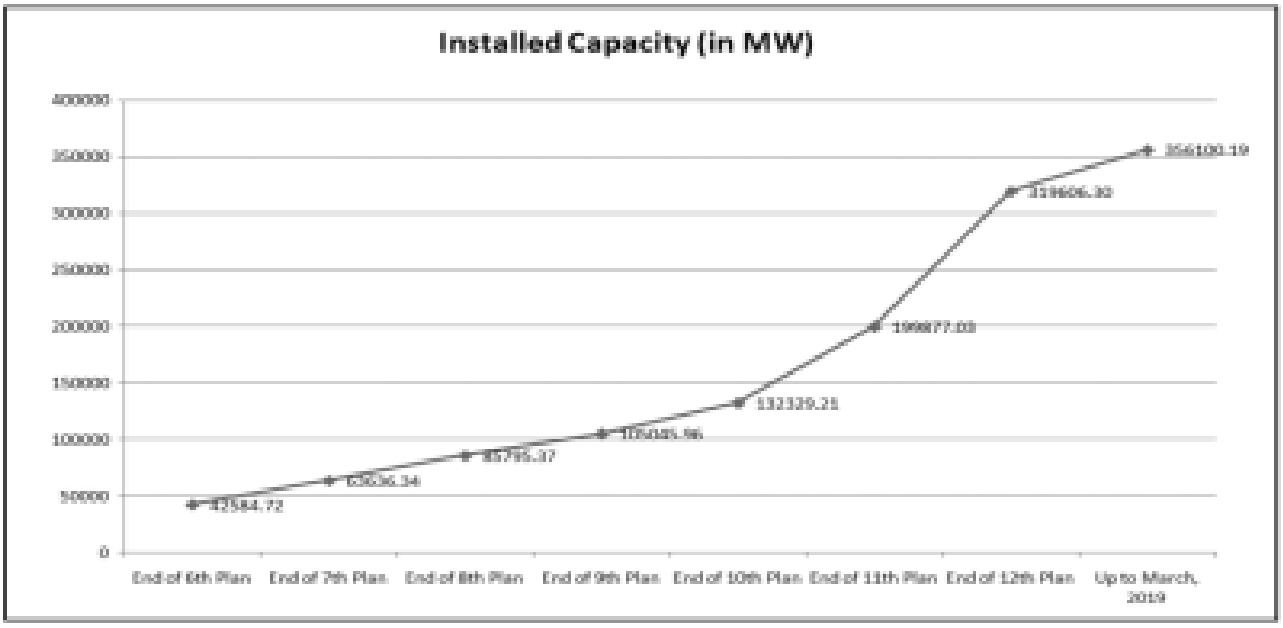
Electrical Power Generation and Distribution Sector

1. The annual average GDP growth (%) data of 2014-18, as per World Economic Outlook (April 2019 database) of International Monetary Fund, exhibits that India has emerged as the fastest growing major economy in the world, India has now become the sixth largest economy in the world. The GDP of India has grown at 6.8% during 2018-19 as against the 7.2% during 2017-18. The GDP growth for the year 2019-20 is projected at 7%. This is against the world's growth of 3.6% during 2018 and projected growth of 3.3% during 2019.
2. India's installed capacity and its transmission infrastructure is amongst the largest in the world. Government has also undertaken a number of policy and reform based initiatives like SAUBHAGYA, Affordable 12x7, Power for All, IPDS, UDAY, UJALA, Energy Efficiency etc. for growth of the sector.

3. The country has been successively witnessing considerable growth in the sector, as listed hereunder:

	FY14-15	FY17-18	FY18-19	Growth (1-year)	Growth (FY15-FY19) CAGR
Generation					
Total Installed Capacity (incl. RE) GW	274.90	344.00	356.10	3.52%	6.68%
Renewable Capacity GW	38.96	69.02	77.64	12.49%	18.81%
Total Generation (incl. RE) BU	1110.07	1308.15	1376.10	5.19%	5.52%
Generation from RE sources(BU)	61.79	101.84	126.76	24.47%	19.68%
Transmission					
Transmission Lines (ckm)	313437	390970	413407	5.74%	7.17%
Tranformation Capacity (MVA)	596100	826958	899663	8.79%	10.84%
Inter-Regional Power Transfer Capacity (MW)	46450	86450	99050	14.57%	20.84%
Inter-Regional Power Transfer (BU)	84.37	150.05	181.74	21.13%	21.15%
Power Markets					
Short Term Transactions (Nos.)	38048	49900	51218	2.64%	7.71%
Short Term Transactions (Energy Transacted) BU	80.87	104.63	120.97	15.62%	10.59%
Power Supply Position					
Peak Demand vs Peak Met (GW)	148.17 / 141.16	164.07 / 160.75	177.02 / 175.53	NA	NA
Energy Demand vs Energy Met (BU)	1068.92 / 1030.79	1213.33 / 1204.70	1274.60 / 1267.53	NA	NA

4. Growth trajectory of all India Installed capacity is as under:



ANNEXURES TO DIRECTOR'S REPORT

5. Generation and growth in conventional generation in the country during 2009-10 to 2019-20 is:-

Year	Energy Generation from Conventional Sources (BU)	% of growth
2009-10	771.551	6.6
2010-11	811.143	5.56
2011-12	876.887	8.11
2012-13	912.056	4.01
2013-14	967.150	6.04
2014-15	1048.673	8.43
2015-16	1107.822	5.64
2016-17	1160.141	4.72
2017-18	1206.306	3.98
2018-19	1249.337	3.57
2019-20*	339.144	6.32

* Upto June 2019 (Provisional), Source : CEA

6. Power Generation Growth Trends:

(a) Generation (Billion Units)



(b) Generation Growth (%)



7. The above parameters are indicative of robust and sustained market for Electrical Business of MEIL in all sectors - Industry, Commercial and Defence. This in synchronism with company's growth parameters is a testimony of healthy business environment around us. The PEST and SWOT analysis undertaken by in-house teams also substantiates the healthy business trends.

   Ship Technical Services Sector:

8. The shipping industry outlook for 2019 and beyond has been relatively buoyant. The shipping demand is projected to grow by 2.5 percent in 2019, mainly driven by agricultural products and minor bulk commodities; whereas the global dry bulk fleet is projected to grow at 2.8 percent this year. "This was attributed to an overall improvement in seaborne trades, while supply fundamentals of shipping remained reasonably healthy.

   Our services business of marine and defence sector also continues to be healthy and expected to grow along with the buoyant business scenario. So also remains the navigation and Communication business in sync with the growth of shipping industry.

9. Achieved Business Parameters: The Y-o-Y growth parameters of MEIL are outlined as below. As can be observed the growth trends of MEIL are following/ exceeding the growth trends of the sector.

* Amount is presented in Lakhs

Year	Order Book*	Revenue/ Sales*	PBIT*
2018-19	1,87,86. 00	3,23,23.03	17,28.33
2017-18	1,60,87.40	2,87,66.39	22,66.86
2016-17	4,361.24	20,944.17	1,875.94
2015-16	32,62.97	19,344.95	1,530.51
2014-15	8,07.58	18,929.43	1,175.38

10. Competitive Scenario: MEIL has the first mover's advantage. It has been able to resist and sustain the aggressive moves and postures of the new incomers in this business domain. The International players do pose a challenge but, MEIL product quality and market reputation are also at par with International brands. We make all endeavors to maintain and sustain International quality and maturity in our products, processes and product life cycle support.

Overall Business and Growth Strategy

Marine Electrical intends to be one of the well-known player in the global marine market. We will realise this by becoming a true life cycle management partner, combining two key roles as system integration partner and maintenance partner to all our customers and constantly focus on exceeding their expectations and last but not least, we are dedicated to create smart and green solutions at a competitive cost of ownership.

Marine Electricals will provide high quality Industrial solutions for LV, MV & Automation addressing requirements of diverse customers through superior technology & manufacturing standards. We aspire to take leadership position in Western region of India.

Safety and Environment Clearances Outlook

We continuously seek to improve safety and reliability at all our production facilities. Our production facilities have been awarded the ISO Certification for maintaining quality and environment management standards.

Statutory Compliance The Company Secretary Cum Compliance Officer ensures compliance with SEBI Regulations and Listing Agreement, Guidelines of Insider Trading and Companies Act 2013.

Internal Control Systems

The company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

ANNEXURES TO DIRECTOR'S REPORT

Cautionary Statement

The management discussion and analysis report containing your company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the company's operation include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the company conducts business and other incidental factors.

On behalf of the board of directors

Sd/-	**Sd/-**
Mr. Venkatesh K. Uchil	**Mr. Vinay K. Uchil**
Managing Director	**Chairman and Whole Time Director**
DIN: 01282671	**DIN: 01276871**

Date: 23rd May 2019
Place: Mumbai

ANNEXURES TO DIRECTOR'S REPORT

ANNEXURE IX

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

List of Top 10 salaried employees for the Financial Year ended 31st March, 2019

Sl.No.	Name & Designation	Remuneration received during the period from April 1, 2018 to March 31, 2019	Nature of employment	Qualifications and experience of the employee	Date of commencement Of employment	Age (DOB)	The last employment held before joining the Company	Whether is a relative of any director or manager of the Company	The Percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5
1	Mr. Vijay Kumar	Rs. 27,35,208	Regular	B.E Electricals and 27 Yrs.	22/03/2018	15/11/1968	Indian Navy Reliance Naval & Engg. Ltd	No	Nil
2	Mr. Rohit Rajendra Shetty	Rs. 24,00,000	Regular	B.com, Chartered Accountant and 21 Yrs.	12/03/2018	10/12/1974	N. Sudhir Shetty & co Positive Packaging Industries ltd. Gitanjali Gems Ltd. Tara Jewels Ltd	No	Nil
3	Mr. T K Mani	Rs. 24,00,000	Regular	NA	01/08/2018		NA	No	Nil
4	Mr. Pritesh Jani	Rs. 21,33,456	Regular	B.E Electricals and 15 Yrs.	01/06/2016	24/01/1984	Phoenix Contact India Emerson Export Engineering	No	Nil
5	Mr. Kalpesh Mehta	Rs. 20,18,016	Regular	Diploma in Electrical Engg and 16 Yrs.	01/11/2003	04/10/1977	No	No	200
6	Mr. Rajeev Malhotra	Rs. 19,32,000	Regular	Mech Tech-IIT Delhi 30 Yrs.	01/06/2013		Sub Lieutenant in Indian Navy Switch N Control Gears Pvt Ltd	No	Nil
7	Mrs. Stella D'Souza	Rs. 18,87,768	Regular	12th and 26 Yrs.	01/04/2013	29/01/1968	No	No	Nil
8	Mr. Dhansukh L Gohil	Rs. 1830480	Regular	B.E Electricals 27 Yrs.	07/04/2014	14/05/1971	Elcome International LLC, Dubai MEANS Pvt. Ltd.	No	Nil
9	Vijay Laxman Gade	Rs. 17,85,456	Regular	B.E Mech. 16 Yrs.	05/07/2017	14/06/1978	Mahindra & Mahindra Ltd. Ford India Pvt. Ltd. Nissan Ltd. Waaree Energies Ltd.	No	Nil
10	P K Selvan	Rs. 17,04,240	Regular	B.E Electricals 35 Yrs.	13/03/2018	23/05/1965	Indian Navy Means Pvt Ltd Maritonics & IAL Data Patterns India Pvt Ltd.	No	Nil

On behalf of the board of directors

Sd/-
Mr. Venkatesh K. Uchil
Managing Director
DIN: 01282671

Sd/-
Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01276871

Date: 23rd May 2019
Place: Mumbai

ANNEXURE X

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Managing Director and senior executives are reviewed and recommended by the Nomination and Remuneration Committee.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. VinayK Uchil (Chairman & WholeTimeDirector)	18.10
2	Mr. VenkateshK Uchil (Managing Director)	18.10
3	Mrs. Tanuja D Pudhierkar (Director)	-
4	Mr. ShailendraKumar Shukla (Director)	-
5	Mr. Madan Pendse (Independent Director)	-
6	Mr. Nikunj Mishra (Independent Director)	-

Median remuneration of Employees: Rs. 22100/-

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

Sl. No.	Name of the Director	Percentage increase in remuneration
1.	Mr. Vinay K Uchil (Chairman & WholeTime Director)	0%
2.	Mr. Venkatesh K Uchil (Managing Director)	0%
3.	Mrs. Tanuja D Pudhierkar (Director)	Not paid any salaries
4.	Mr. ShailendraKumar Shukla (Director)	Not paid any salaries
5.	Mr. Madan Pendse (Independent Director)	Not paid any salaries
6.	Mr. Nikunj Mishra (Independent Director)	Not paid any salaries
7.	Mr. Rohit Shetty (Chief Financial Officer)	0%
8.	Ms. Vedashri Chaudhari (Company Secretary)	0%
9.	Mr. Sudhir Gupta (Company Secretary)	0%

(iii) The percentage increase in the median remuneration of employees in the financial year 2018-2019- 4%

(iv) The number of permanent employees on the rolls of Company

There are 346 (number) permanent employees on the rolls of the Company in the financial year 2018-19.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The Average percentile increase already made in the salaries of employees is 5 to 10 %

There are two one Whole-time Directors i.e., Mr Venkatesh Uchil, Managing Director and Mr Vinay Uchil, Chairman & Whole Time Director. There has been no increase in the managerial remuneration for the financial year.

ANNEXURES TO DIRECTOR'S REPORT

(vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

S. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications And experience of the employee	Date of commencement of employment	Age	The last employment held Before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the Company
1	Vinay Uchil Wholetime Director	Rs. 48 Lacs	Permanent	B.E (Instrumentation) and MBA (Finance)	1999	48 Years	NA	0.00%	Brother of Mr. Venkatesh Uchil
2	Venkatesh Uchil Managing Director	Rs. 48 Lacs	Permanent	B.E (Electronics and Telecomm) and P G Diploma in Management	1999	42 Years	NA	21.83%	Brother of Mr. Vinay Uchil

Note: There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration) Rules, 2014

On behalf of the board of directors

Sd/-
Mr. Venkatesh K. Uchil
Managing Director
DIN: 01282671

Sd/-
Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01276871

Date: 23rd May 2019
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of

Marine Electricals (India) Limited

(formerly known as Marine Electricals (India) Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Marine Electricals (India) Limited (*formerly known as Marine Electricals (India) Private Limited*) ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss and the standalone cash flow statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profits and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibility for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Revenue recognition accuracy, measurement, presentation and disclosure** Revenue is measured based on transaction price, which is the consideration, adjusted for discounts. As disclosed in Note 2.8 to the standalone financial statements, revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of productsRevenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.	Our audit procedures included following: - Considering the appropriate-ness of the management's accounting policies regarding revenue recognition; - Obtained an understanding of management's process over revenue recognition and evaluated design of internal controls around revenue recognition; - Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
2	**Investment in subsidiaries** As set out in Note 14 to the standalone financial statements, the Company has investments in subsidiary companies and partnership firms. These investments are carried at cost less allowance for impairment. Due to challenging economic and market conditions, there is a risk that the carrying amounts of these investments might be impaired. As at 31 March 2019, the management did not identify any subsidiary company or partnership firm where indications of impairment are present.	Our audit procedures included the assessment of whether there were indications of impairment of such investment. If so, we have assessed the whether the management has estimated the recoverable amounts of these investments, the reasonableness of the approach used by the management in making such estimates and the adequacy of allowance of impairment, if necessary.

Other information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statement

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

INDEPENDENT AUDITOR'S REPORT

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 standalone 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

(A) 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 standalone balance sheet, the standalone statement of profit and loss and the standalone cash flow statement dealt with by this report are in agreement with the books of account;

INDEPENDENT AUDITOR'S REPORT

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (AS) prescribed under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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:

1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29.1 to the standalone financial statements;
2. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019.
4. The disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

Mumbai, May 23, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditors' Report – 31 March 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and we are informed that 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 records of the Company, the title deeds of immovable properties (other than leasehold land) as disclosed in the standalone financial statements, are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. We are informed that the discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment / receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax, Duty of customs, Provident fund, Employees' State Insurance, Profession tax, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities though there has been delays in few instances. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Duty of customs, Provident fund, Employees' State Insurance, Profession tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount demanded (Rs in Lakhs)
The Income tax Act, 1961	Income tax and interest	Commissioner of Income Tax (Appeals)	A.Y. 2013-14	7.77
The Income tax Act, 1961	Income tax and interest	Commissioner of Income Tax (Appeals)	A.Y. 2014-15	1.59
The Income tax Act, 1961	Income tax and interest	Commissioner of Income Tax (Appeals)	A.Y. 2015-16	6.73
The Income tax Act, 1961	Income tax and interest	Commissioner of Income Tax (Appeals)	A.Y. 2016-17	158.66
Sales Tax Act and VAT laws	Sales tax and interest	Additional Commissioner of Commercial taxes (Appeals)	F.Y. 2015-16	62.94

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks and financial institutions. The Company did not have any outstanding dues to government and debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has utilized the money raised by way of initial public offer and term loans during the year for the purposes for which they were raised.

(x) 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable AS.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

Mumbai, May 23, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

Annexure B to the Independent Auditors' Report – 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Marine Electricals (India) Limited (*formerly known as Marine Electricals (India) Private Limited*) ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

Mumbai, May 23, 2019

STANDALONE BALANCE SHEET

as at ended 31 March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	Note No.	31 March 2019	31 March 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	*3*	**2,453.31**	1,803.71
Reserves and surplus	*4*	**9,959.77**	5,743.79
		12,413.08	7,547.50
Non-current liabilities			
Long-term borrowings	*5*	**1,099.52**	125.78
Deferred tax liabilities (net)	*6*	**76.16**	184.72
Other long-term liabilities	*7*	**20.00**	20.00
Long-term provisions	*8*	**194.26**	163.07
		1,389.94	493.57
Current liabilities			
Short-term borrowings	*9*	**2,821.74**	2,943.55
Trade payables	*10*	**9,460.71**	13,013.51
Other current liabilities	*11*	**1,808.61**	3,377.93
Short-term provisions	*12*	**140.19**	324.76
		14,230.76	19,659.75
Total		**28,033.78**	27,700.82
ASSETS			
Non-current assets			
Property, plant and equipment	*13*		
Tangible assets		**3,058.36**	2,597.90
Intangible assets		**27.33**	6.59
Capital work-in-progress		**1,443.07**	1,362.00
Non-current investments	*14*	**1,226.96**	745.59
Long-term loans and advances	*15*	**378.75**	359.13
Other non-current assets	*16*	**8.85**	868.34
		6,143.32	5,939.55
Current assets			
Inventories	*17*	**3,236.52**	2,665.05
Trade receivables	*18*	**13,722.94**	14,626.04
Cash and bank balances	*19*	**1,423.71**	2,213.75
Short-term loans and advances	*20*	**3,470.49**	2,161.65
Other current assets	*21*	**36.80**	94.78
		21,890.46	21,761.27
Total		**28,033.78**	27,700.82
Significant accounting policies	*2*		
Notes to the standalone financial statements	*3-29*		

The accompanying notes 3-29 form an integral part of the standalone financial statements.
As per our report of even date attached

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

Mumbai, May 23, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	Note No.	31 March 2019	31 March 2018
Income			
Revenue from operations	*22*	**32,323.03**	28,766.39
Other income	*23*	**281.63**	191.60
		32,604.66	28,957.99
Expenses			
Cost of materials consumed	*24*	**27,405.07**	23,735.92
Changes in inventories of finished goods and work-in-progress	*25*	**(528.43)**	(782.60)
Employee benefits expense	*26*	**1,714.58**	1,689.92
Finance costs	*27*	**634.17**	497.90
Depreciation and amortisation	*13*	**344.13**	391.96
Other expenses	*28*	**1,940.98**	1,655.93
		31,510.50	27,189.03
Profit before tax		**1,094.16**	1,768.96
Tax expense:			
- Current tax		**425.00**	688.12
- Deferred tax charge / (credit)		**(108.56)**	(91.57)
- Short / (excess) provision in respect of earlier year		**-**	-
Profit after tax		**777.72**	**1,172.41**
Earning per equity share (in rupees)			
- Basic and diluted earning per equity share of face value of Rs 10 each	*29.9*	**3.68**	6.66
Significant accounting policies	*2*		
Notes to the standalone financial statements	*3-29*		

The accompanying notes 3-29 form an integral part of the standalone financial statements.

As per our report of even date attached
For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

Mumbai, May 23, 2019

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

STANDALONE CASH FLOW STATEMENT

For the year ended 31 March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

			31 March 2019	31 March 2018
A)	**Cash flow from operating activities:**			
	Profit before taxation		**1,094.16**	1,768.96
	Depreciation and amortisation		**344.13**	391.96
	Unrealised exchange (gain) / loss		**(23.59)**	20.49
	Profit on sale of property, plant and equipment (net)		**(2.41)**	(0.10)
	Advances and sundry balances written off		**50.51**	-
	Sundry balances written back		**-**	(3.27)
	Bad debts written off		**109.11**	59.77
	Provision for doubtful receivables		**50.21**	-
	Share of (profit) / loss from partnership firms		**(36.57)**	0.97
	Finance costs		**634.17**	497.90
	Interest income		**(93.27)**	(77.24)
	Adjustment to reserves		**-**	2.21
	Operating profit before working capital changes		**2,126.45**	2,661.65
	Adjustments for changes in working capital:			
	(Increase) in inventories		**(571.47)**	(1,119.92)
	Decrease /(Increase) in trade receivables		**751.88**	(6,902.30)
	(Increase) in loans & advances and other assets		**(1,264.07)**	(1,064.09)
	(Decrease)/ Increase in trade payable		**(3,473.40)**	8,453.83
	(Decrease)/ Increase in liabilities and provisions		**(1,469.66)**	1,637.25
	Cash generated from operations		**(3,900.27)**	3,666.42
	Direct taxes paid (net)		**(747.17)**	(571.86)
	Net cash flows (used in) generated from operating activities	**(A)**	**(4,647.44)**	3,094.56
B)	**Cash flow from investing activities:**			
	Purchase of property, plant and equipment (including capital work in progress, movement in capital advances and capital creditors)		**(1,057.29)**	(500.12)
	Gross receipt on sale of property, plant and equipment		**9.57**	2.50
	Movement in fixed deposits		**699.61**	(1,636.74)
	Net capital (infused in) / withdrawn from partnership firms		**(444.80)**	1.20
	Interest received		**122.50**	20.88
	Net cash flows used in investing activities	**(B)**	**(670.41)**	(2,112.28)
C)	**Cash flow from financing activities:**			
	Proceeds from (repayment of) long term borrowings (net)		**1,028.65**	(739.92)
	(Repayment of) proceeds from short term borrowings (net)		**(121.81)**	965.86
	Proceeds from issue of equity shares		**649.60**	85.89
	Proceeds from receipt of securities premium		**3,637.76**	412.24
	IPO expenses paid		**(199.50)**	-
	Finance costs paid		**(626.77)**	(497.90)
	Net cash flows generated from financing activities	**(C)**	**4,367.93**	226.17
	Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**(949.92)**	1,208.45
	Cash and cash equivalents at the beginning of the year		**1,250.47**	42.02
	Cash and cash equivalent at the end of the year		**300.55**	1,250.47

STANDALONE CASH FLOW STATEMENT

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
Notes:			
1	Component of cash and cash equivalent (Refer note 19)		
	Cash in hand	**6.57**	5.98
	Bank balances		
	- in current accounts	**1,58.94**	1,207.73
	- EEFC accounts	**67.05**	36.76
	- cash credit accounts	**67.99**	-
		300.55	1,250.47
2	The above cash flow statement has been prepared under "indirect method" set out in Accounting Standard - 3 on cash flow statements.		

As per our report of even date attached

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

Mumbai, May 23, 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

1. Company overview

The Company was incorporated as a private limited company with the name "Marine Electricals (India) Private Limited" on 4th December 2007 under the Companies Act, 1956 by converting a partnership firm with the name "Marine Electricals". On 1st August 2018 the Company was converted into a public limited company and the name got changed to "Marine Electricals (India) Limited". The Company got listed on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE") on 11th October 2018.

The Company is engaged in manufacturing and sale of all types of marine and industrial electrical & electronic components like switch-gears, control-gears etc. and is also engaged in renewable energy sector specifically solar. It also provides services like designing, fabricating etc. for all types of electrical & electronic installations in India and abroad and undertake annual maintenance contracts.

2. Significant accounting policies

2.1. Basis of preparation of standalone financial statements

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

The accompanying standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'). The standalone financial statements are presented in Indian Rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.2.Use of estimates

The preparation of standalone financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the standalone financial statements. The estimates and assumptions used in the accompanying standalone financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of standalone financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying standalone financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3.Current / Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the balance sheet date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.4. Property, plant and equipment (tangible assets) and depreciation

Property, plant and equipment (tangible assets) are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation up to the time the assets are ready for intended use.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses, other directly attributable costs and borrowing costs.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefit from existing assets beyond its previously assessed standard of performance.

Depreciation on property, plant and equipment except leasehold land, is provided under the written down value method in accordance with the useful life prescribed in Schedule II to the Act. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use. Depreciation on sale of assets is provided up to the date of sale of the asset.

The estimated useful lives of the property, plant and equipment are as follows:

Tangible Assets	Estimated useful life (in years)
Buildings	30
Plant and machinery	15
Plant and machinery – Drilling Rig	30
Computers	3
Furniture and fixtures	10
Vehicles	8
Office equipment	3-5

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of profit and loss.

Leasehold land is amortised on a straight line basis over the unexpired period of respective lease arrangement. Annual lease rent paid is charged to the standalone statement of profit and loss.

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Advance paid for acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed as advances on capital account.

2.5. *Intangible assets and amortisation*

Intangible assets are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a written down value method in accordance with the useful life prescribed in Schedule II to the Act.

The estimated useful lives of the of the intangible are as follows:

Intangible Assets	Estimated useful life (in years)
Software	3

2.6. *Impairment of assets*

In accordance with Accounting Standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognised in the standalone statement of profit and loss or against revaluation surplus, where applicable.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

2.7. *Inventories*

Inventories other than scrap materials are carried at lower of cost or net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventory of scrap materials have been carried at net realisable value.

Cost is determined under the weighted average cost method and includes all costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress further includes direct labour and an appropriate share of production overheads as applicable.

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

Due allowances are made for defective, obsolete and slow-moving inventory, wherever necessary, based on management estimates and past experiences of the Company.

2.8. *Revenue recognition*

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured.

Sale of products

Revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of products. Sales are accounted net of taxes and trade discounts, if any, unless stated otherwise.

Revenue from support services

Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers and are recognised net of taxes, unless stated otherwise.

Interest income

Interest income is recognized using the time proportion method, based on the amount outstanding and the underlying interest rates.

Rental income

Rental income is recognized on a time proportion method based on the lease agreements.

Duty drawback

Duty drawback is recognized basis entitlement upon exports made. Provision is made for duty drawback entitlement pending to be received towards end of the year on exports made during the year.

2.9. *Foreign currency transactions*

(i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction

(ii) Conversion

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement or on reporting of monetary items of Company at rates different from those at which they were initially recognized are recorded as income or as expenses in the year in which they arise.

2.10. *Employee benefits*

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages, short- term compensated absences, performance incentives, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

(b) Long-term employee benefits:

(i) Defined contribution plans:

The Company's contribution to provident fund, superannuation fund, employee state insurance scheme and labour welfare fund are considered as defined contribution plans. The Company's contribution paid / payable under the plans are recognised as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

(ii) Defined benefits plan:

Post-employment benefit:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the standalone statement of profit and loss.

Other long-term employment benefit:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

2.11. *Investments*

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Non-current investments are stated at cost unless there is any diminution in value, other than temporary, where provision for diminution is made on individual investment basis. Current investments are valued at cost or fair value, whichever is lower. Earning on investments is accounted for on accrual basis.

2.12. *Taxes on income*

Income tax expense comprises of current tax expense and deferred tax expense or credit.

Current taxes

Provision for current income-tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws applicable to the Company.

Deferred taxes

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in the subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

2.13. *Borrowing costs*

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till such assets become operational. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the standalone statement of profit and loss in the period in which they are incurred. The capitalisation of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time.

2.14. *Earnings per share*

The basic and dilutive earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

2.15. ***Leases***

As a lessee

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the standalone statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

As a lessor

The Company has leased certain tangible assets and such leases where the Company has sustainability retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the standalone statement of profit and loss on an accrual basis in accordance with the lease agreement.

2.16. ***Segment Reporting***

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

2.17. ***Derivative contracts:***

Derivative contracts entered into, to hedge foreign currency/price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the standalone financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the standalone statement of profit and loss or standalone balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the standalone balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the standalone statement of profit and loss.

The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the standalone statement of profit and loss in the same period in which the hedged item is accounted.

2.18. ***Government Grants and Subsidies***

Grants and subsidies from the government are recognised when there is reasonable assurance that:

a) the Company will comply with all the necessary conditions attached to them; and

b) the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the standalone statement of profit and loss over the periods necessary to match them with the related costs,

which they are intended to compensate. Where the grant relates to a specific property, plant and equipment, the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

2.19. *Provisions and contingencies*

Provision

Provision is recognized in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at each balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

Provision for warranty

Product warranty costs are accrued in the year of sale of products, based on past experiences. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

Contingent liabilities and contingent assets

Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
3	**Share capital**		
	Authorised		
	2,50,00,000 (Previous year: 2,00,00,000) equity shares of Rs. 10 each	**2,500.00**	2,000.00
	Issued, subscribed and paid-up		
	2,45,33,050 (Previous year: 1,80,37,050) equity shares of Rs. 10 each, fully paid-up	**2,453.31**	1,803.71

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

	31 March 2019		31 March 2018	
Equity shares of Rs 10 each fully paid-up	**No. of Shares**	**Amount**	No. of Shares	Amount
At the beginning of the year	**18,037,050**	**1,803.71**	17,178,200	1,717.82
Shares issued during the year (Refer note below)	**6,496,000**	**649.60**	858,850	85.89
At the end of the year	**24,533,050**	**2,453.31**	18,037,050	1,803.71

Note:

Pursuant to the Initial Public Offer (IPO), the Company has issued 64,96,000 equity shares having face value of Rs 10 each @ Rs 66 each including premium of Rs 56 per equity share. The equity shares of the Company got listed on 11th October 2018 on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE")

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share (Previous Year: Rs 10 per share). Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residuals assets. The equity share holders are entitled to receive dividend from time to time. Each holder of equity shares is entitled to one vote per share.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by holding company

	31 March 2019		31 March 2018	
	No. of Shares	**Amount**	No. of Shares	Amount
Equity shares of Rs 10 each fully paid-up of the Company are held by -				
KDU Enterprises Private Limited	**12,681,375**	**1,268.14**	12,681,375	1,268.14

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2019		31 March 2018	
	No. of Shares	**% of holding**	No. of Shares	%of holding
Equity shares of Rs. 10 each fully paid-up				
KDU Enterprises Private Limited	**12,681,375**	**51.69%**	12,681,375	70.31%
Mr. Venkatesh K. Uchil	**5,354,475**	**21.83%**	5,354,475	29.68%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
4	**Reserves and surplus**		
	a) Securities premium account		
	At the commencement of the year	**545.28**	133.03
	Add: Premium on shares issued during the year {Refer note (a)}	**3,637.76**	412.25
	Less: Share issue expenses {Refer note (b)}	**(199.50)**	-
	At the end of the year	**3,983.54**	545.28
	b) General Reserve		
	At the commencement of the year	**708.10**	708.10
	Add: Movement during the year	-	-
	At the end of the year	**708.10**	708.10
	c) Surplus as per the statement of profit and loss		
	At the commencement of the year	**4,490.41**	3,315.79
	Add: Profit for the year	**777.72**	1,172.41
	Add: Appropriations during the year	**-**	2.21
	At the end of the year	**5,268.13**	4,490.41
	Total Reserves and Surplus	**9,959.77**	5,743.79

Notes:

(a) Pursuant to the Initial Public Offer (IPO), the Company has issued 64,96,000 equity shares having face value of Rs. 10 each @ Rs. 66 each including premium of Rs. 56 per equity share.

(b) Expenses specifically incurred by the Company in relation to IPO are netted off against premium received on shares issued during the year.

5. Long-term borrowings

	31 March 2019		31 March 2018	
	Non current	**Current**	Non current	Current
Secured:				
Term loans:				
(a) From banks				
(i) Vehicle loan {refer note (a) and (b)}	**9.00**	**5.56**	3.64	6.46
(ii) Other term loans {refer note (c) and (d)}	**1,086.12**	**316.07**	107.72	261.07
	1,095.12	**321.63**	111.36	267.53
(b) From others				
Vehicle loan {(refer note (e) and (f)}	**4.40**	**9.85**	14.42	9.04
	1,099.52	**331.48**	125.78	276.57

Current maturities of long term borrowings are classified as other current liabilities (Refer note - 11)

Notes:

(a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs. 5.36 Lakhs as at 31 March 2019 (Previous year: Rs. 10.10 Lakhs) secured against hypothecation of vehicles is repayable in monthly installments ranging from 36 to 60 months. The loans carry interest ranging from 9.00% p.a. to 11.26% p.a. (Previous year: 9.00% p.a. to 11.26% p.a.).

(b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs. 9.20 Lakhs as at 31 March 2019 (Previous year: Rs Nil) secured against hypothecation of the vehicle is repayable in 37 monthly installments. The loan carries an interest of 9.50% p.a. (Previous year: Nil).

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(c) Foreign Currency Non-Resident (Bank) "FCNR(B)" term loan from ICICI Bank Limited outstanding of USD 15,945 equivalent to Rs. 11.15 Lakhs as at 31 March 2019 (Previous year: USD 280,905 equivalent to Rs. 184.39 Lakhs) is primarily secured by exclusive equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company. The loan is collaterally secured by exclusive equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 30 monthly installments. The loan carries an interest of LIBOR 3M + 4.05% (Previous year: LIBOR 3M + 4.05%). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

Indian rupee term loan from ICICI Bank Limited outstanding of Rs. 102.45 Lakhs as at 31 March 2019 (Previous year: Rs. 184.40 Lakhs) is primarily secured by exclusive charge on all of the Company's fixed assets (Plant and Machinery) funded by the loan. The loan is collaterally secured by exclusive equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, exclusive (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 13 quarterly installments. The loan carries an interest of I-MCLR 1 Year + Spread of 1.90% p.a. (Previous year: I-MCLR 1 Year + Spread of 1.90% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(d) Indian Rupee term loan from Kotak Mahindra Bank Limited outstanding of Rs 1,288.59 Lakhs as at 31 March 2019 (Previous year: Rs. Nil) is primarily secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 60 monthly installments. The loan carries an interest of K-MCLR 6M + Spread of 1.15% p.a. (Previous year: Nil). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(e) Indian rupee vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs 10.40 Lakhs as at 31 March 2019 (Previous year: Rs 17.22 Lakhs) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.50% p.a. (Previous year: 8.50% p.a.).

(f) Indian rupee vehicle loan from Volkswagen Finance Private Limited outstanding of Rs 3.85 Lakhs as at 31 March 2019 (Previous year: Rs 6.24 Lakhs) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.75% p.a. (Previous year: 8.75% p.a.).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
6	**Deferred tax liabilities (net)**		
	The components of deferred tax balances are as follows:		
	(A) Deferred tax liability		
	Arising on account of timing differences in:		
	Excess of depreciation / amortisation on property, plant and equipment under income tax laws over depreciation / amortisation provided in the books	**202.95**	224.14
	Deferred tax liability (A)	**202.95**	224.14
	(B) Deferred tax assets		
	Provision for gratuity	**55.03**	25.37
	Provision for compensated absences	**15.99**	14.05
	Share issue expenses allowable u/s 35D	**55.77**	-
	Deferred tax assets (B)	**126.79**	39.42
	Deferred tax liabilities - net (A) -(B)	**76.16**	184.72
7	**Other long-term liabilities**		
	Security deposits	**20.00**	20.00
		20.00	20.00
8	**Long-term provisions**		
	Provision for employee benefits (refer note 29.10)		
	- Gratuity	**152.21**	123.40
	- Compensated absences	**42.05**	39.67
		194.26	163.07
9	**Short-term borrowings**		
	Secured:		
	Cash credits from banks {refer note (a), (b) and (c)}	**2,821.74**	2,905.55
	Unsecured:		
	Loan from related parties {refer note (d)}	**-**	38.00
		2,821.74	2,943.55

Notes:

(a) Cash credit facility from ICICI Bank Limited outstanding of Rs. Nil as at 31 March 2019 (Previous year: Rs. 117.29 Lakhs) carrying interest of I- MCLR 6M + 1.90% p.a. is repayable on demand. These are secured by first pari-passu hypothecation on firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable, including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The facility is collaterally secured by exclusive equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, exclusive (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

The Company has a debit balance in cash credit account as on the date of Balance Sheet (refer note 19).

(b) Cash credit facility from Axis Bank Limited outstanding of Rs. 48.74 Lakhs as at 31 March 2019 (Previous year: Rs. Nil) carrying interest of 3 month MCLR + 2 bps (Previous year: Nil) is repayable on demand. These are secured by hypothecation of entire current assets including stock, raw material, semi-finished goods, consumable stores, receivables, bills, deposits etc. both present and future of the Company in pari passu with other banks. The facility is collaterally secured by industrial property siutated at Plot No. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichchpore, Bhatpore, Opp. GAIL Colony, Surat - 394510 and land and building at Plot No. N-51, 52, 59 & 60, Phase IV, Verna Industrial Estate, Salcete, Goa owned by the Company. The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(c) Cash credit facility from State Bank Of India outstanding of Rs. 2,773.00 Lakhs as at 31 March 2019 (Previous year: Rs. 2,788.26 Lakhs) carrying interest of 3% above 1 year MCLR (Previous year: 2% above 1 year MCLR) is repayable on demand. These are secured by 1st pari passu hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and Goa plants. The facility is collaterally secured by:

i) Equitable / Registered Mortgage of Unit No B-1, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan- 3, Plot no-F-4+5+6, MIDC, Andheri (E), Mumbai owned by the Company;

ii) Equitable Mortgage on factory premises at S-17/18, Verna Industrial Estate, Phase-1, Verna Electronic City, Salcete, Goa owned by the Company;

iii) Hypothecation of all Plant & Machinery, present and future at Mumbai and Goa plants;

iv) Equitable / Registered Mortgage on Unit No A-2, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by M/s Philins Industrial Corporation;

v) Equitable / Registered Mortgage of Unit No B-2, D-1, B-3 Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by KDU Enterprises Pvt. Ltd.;

vi) Equitable / Registered Mortgage on 502/A and 502/B, Fifth Floor, Heritage, Hiranandani Gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai - 400076 owned by Mr. Venkatesh Uchil.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

(d) Indian rupee unsecured loan from KDU Enterprises Private Limited, the Holding Company outstanding of Rs. Nil as at 31 March 2019 (Previous year: Rs. 38.00 Lakhs) is repayable on demand. The loan carries interest of 15.00% (Previous year: Nil).

		31 March 2019	31 March 2018
10	**Trade payables**		
	- Total outstanding dues to micro and small enterprises (Refer note 29.7)	**-**	-
	- Total outstanding dues to other than micro and small enterprises	**9,460.22**	13,013.51
		9,460.22	13,013.51
11	**Other current liabilities**		
	Current maturities of long -term borrowings	**331.48**	276.57
	Interest accrued but not due on borrowings	**7.40**	-
	Advance from customers	**1,026.64**	2,619.69
	Creditors for purchase of property, plant and equipment	**84.85**	193.60
	Employee dues payable	**161.69**	57.86
	Accrual for expenses	**19.70**	-
	Statutory dues payable:		
	- Tax deducted / collected at source	**42.32**	17.70
	- Goods and service tax	**107.59**	38.39
	- Provident fund	**12.46**	13.71
	- Employee state insurance	**1.90**	1.53
	- Profession tax	**0.12**	0.23
	Commissioning expense payable	**7.40**	151.71
	Other payables	**5.06**	6.94
		1,808.61	3,377.93
12	**Short -term provisions**		
	Provision for employee benefits (refer note 29.10)		
	- Gratuity	**5.28**	2.19
	- Compensated absences	**3.70**	0.92
	Provision for taxation [net of advance tax Rs 827.44 lakhs (Previous year: Rs 1,666.82 lakhs)]	**115.06**	321.65
	Provision for warranties (refer note below)	**16.15**	-
		140.19	324.76

Note :

A provision is recognised for expected warranty claims and after sales services on sale of products, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions .

Particulars	**31 March 2019**	31 March 2018
At the beginning of the year	**-**	-
Arising during the year	**16.15**	-
Utilized during the year	**-**	-
At the end of the year	**16.15**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
10	**Trade payables**		
	- Total outstanding dues to micro and small enterprises (Refer note 29.7)	**-**	-
	- Total outstanding dues to other than micro and small enterprises	**9,460.22**	13,013.51
		9,460.22	13,013.51
11	**Other current liabilities**		
	Current maturities of long -term borrowings	**331.48**	276.57
	Interest accrued but not due on borrowings	**7.40**	-
	Advance from customers	**1,026.64**	2,619.69
	Creditors for purchase of property, plant and equipment	**84.85**	193.60
	Employee dues payable	**161.69**	57.86
	Accrual for expenses	**19.70**	-
	Statutory dues payable:		
	- Tax deducted / collected at source	**42.32**	17.70
	- Goods and service tax	**107.59**	38.39
	- Provident fund	**12.46**	13.71
	- Employee state insurance	**1.90**	1.53
	- Profession tax	**0.12**	0.23
	Commissioning expense payable	**7.40**	151.71
	Other payables	**5.06**	6.94
		1,808.61	3,377.93
12	**Short -term provisions**		
	Provision for employee benefits (refer note 29.10)		
	- Gratuity	**5.28**	2.19
	- Compensated absences	**3.70**	0.92
	Provision for taxation [net of advance tax Rs 827.44 lakhs (Previous year: Rs 1,666.82 lakhs)]	**115.06**	321.65
	Provision for warranties (refer note below)	**16.15**	-
		140.19	324.76

Note :

A provision is recognised for expected warranty claims and after sales services on sale of products, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions .

Particulars	**31 March 2019**	31 March 2018
At the beginning of the year	**-**	**-**
Arising during the year	**16.15**	**-**
Utilized during the year	**-**	**-**
At the end of the year	**16.15**	-

13 Property, plant and equipment

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	Tangible Assets										Intangible Assets		Total
	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total	Softwares	Total	
Gross Block													
At 1 April 2018	95.12	-	2,238.34	2,070.74	113.79	295.92	-	130.63	104.69	5,049.23	114.31	114.31	5,163.54
Additions during the year	309.02	24.54	-	436.38	10.81	12.49	-	13.63	1.65	808.52	23.97	23.97	832.49
Reclassification during the year	-	-	-	-	-	(50.82)	50.82	-	-	-	-	-	-
Disposals / Adjustments during the year	-	-	-	(25.79)	-	(1.75)	-	(25.96)	-	(53.50)	-	-	(53.50)
At 31 March 2019	404.14	24.54	2,238.34	2,481.33	124.60	255.84	50.82	118.30	106.34	5,804.25	138.28	138.28	5,942.53
Depreciation / Amortisation													
At 1 April 2018	-	-	960.67	995.64	105.32	218.45	-	77.91	93.34	2,451.33	107.72	107.72	2,559.05
For the year	21.79	-	128.77	143.80	6.89	15.51	5.52	14.96	3.66	340.90	3.23	3.23	344.13
Reclassification during the year	-	-	-	-	-	(27.82)	27.82	-	-	-	-	-	-
Disposals / Adjustments during the year	-	-	-	(21.06)	-	(1.35)	-	(23.93)	-	(46.34)	-	-	(46.34)
At 31 March 2019	21.79	-	1,089.44	1,118.38	112.21	204.79	33.34	68.94	97.00	2,745.89	110.95	110.95	2,856.84
Net block at 31 March 2019	382.35	24.54	1,148.90	1,362.95	12.39	51.05	17.48	49.36	9.34	3,058.36	27.33	27.33	3,085.69
Net block at 31 March 2018	95.12	-	1,277.67	1,075.10	8.47	77.47	-	52.72	11.35	2,597.90	6.59	6.59	2,604.49
Capital work-in-progress													
Opening balance													1,362.00
Add: Addition / reclassification during the year													81.07
Less: Asset capitalised during the year													-
Closing balance													1,443.07

	Tangible Assets										Intangible Assets		Total
	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total	Softwares	Total	
At 1 April 2017	95.12	-	3,381.30	2,157.40	106.80	293.03	-	129.46	102.97	6,266.08	113.80	113.80	6,379.88
Additions during the year	-	-	127.92	4.46	6.99	2.89	-	49.27	1.72	193.25	0.51	0.51	193.76
Reclassification during the year	-	-	(1,270.88)	(91.12)	-	-	-	-	-	(1,362.00)	-	-	(1,362.00)
Disposals / Adjustments during the year	-	-	-	-	-	-	-	(48.10)	-	(48.10)	-	-	(48.10)
At 31 March 2018	95.12	-	2,238.34	2,070.74	113.79	295.92	-	130.63	104.69	5,049.23	114.31	114.31	5,163.54
Depreciation / Amortisation													
At 1 April 2017	-	-	814.15	826.28	95.02	186.37	-	107.76	86.13	2,115.71	97.08	97.08	2,212.79
For the year	-	-	146.52	169.36	10.30	32.08	-	15.85	7.21	381.32	10.64	10.64	391.96
Reclassification during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / Adjustments during the year	-	-	-	-	-	-	-	(45.70)	-	(45.70)	-	-	(45.70)
At 31 March 2018	-	-	960.67	995.64	105.32	218.45	-	77.91	93.34	2,451.33	107.72	107.72	2,559.05
Net block at 31 March 2018	95.12	-	1,277.67	1,075.10	8.47	77.47	-	52.72	11.35	2,597.90	6.59	6.59	2,604.49
Net block at 31 March 2017	95.12	-	2,567.15	1,331.12	11.78	106.66	-	21.70	16.84	4,150.37	16.72	16.72	4,167.09
Capital work-in-progress													
Opening balance													-
Add: Addition / reclassification during the year													1,362.00
Less: Asset capitalised during the year													-
Closing balance													1,362.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
14	**Non -current investments**		
	Investments (At cost):		
	Trade investments: Unquoted		
	Investments in equity instruments of subsidiaries (fully paid-up)		
	90 (Previous year: 90) Equity shares of AED 1500 each in MEL Power Systems FZC formerly known as Marine Electricals (FZC)	**19.38**	19.38
	210,000 (Previous year: 210,000) Equity shares of Rs 10 each in Eltech Engineers Madras Private Limited	**2.10**	2.10
	Others investments		
	Investments in partnership firms (Refer note below)		
	Investment in Narhari Engineering Works	**1,201.27**	703.68
	Investment in Automatic Electronic Controls Manufacturing Co .	**4.21**	20.43
		1,226.96	745.59
	Aggregate amount of unquoted investments	**1,226.96**	745.59

Note:

Details of investments in partnership firms

	31 March 2019		31 March 2018	
Names of the partners	**% Share**	**Capital**	% Share	Capital
Narhari Engineering Works				
Marine Electricals (India) Limited *(formerly known as Marine Electricals (India) Private Limited)*	**80**	**1,201.27**	80	703.68
Mr. Vinay Uchil	**10**	**71.96**	10	67.39
Mr. Venkatesh Uchil	**10**	**71.96**	10	67.39
		1,345.19		838.46
Automatic Electronics Controls Manufacturing Co.				
Marine Electricals (India) Limited *(formerly known as Marine Electricals (India) Private Limited)*	**50**	**4.21**	50	20.43
KDU Enterprises Private Limited	**50**	**5.70**	50	5.73
		9.91		26.16

15	**Long -term loans and advances**		
	(unsecured, considered good)		
	To related parties (refer note 29.11)		
	Security deposits	**260.00**	260.00
	To others		
	Security deposits	**40.30**	32.08
	Loans to others	**34.11**	62.80
	Prepaid expenses	**44.34**	4.25
		378.75	359.13
16	**Other non -current assets**		
	Margin money deposits due to mature after 12 months of the reporting date	**8.85**	868.34
17	**Inventories**		
	(At cost or net realisable value whichever is lower)		
	Raw materials	**1,423.89**	1,380.85
	Work -in-progress	**1,812.63**	1,281.30
	Finished goods	**-**	2.90
		3,236.52	2,665.05

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
18	**Trade receivables**		
	(unsecured)		
	Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
	- Considered good	**6,634.50**	242.60
	- Considered doubtful	**50.21**	-
		6,684.71	242.60
	Less: Provision for doubtful receivables	**50.21**	-
		6,634.50	242.60
	Other receivables		
	- Considered good	**7,088.44**	14,383.44
		13,722.94	14,626.04
19	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	**6.57**	5.98
	Bank balances		
	- current accounts	**158.94**	1,207.73
	- EEFC accounts	**67.05**	36.76
	- cash credit accounts {refer note 9(a)}	**67.99**	-
	Other bank balances		
	- Margin money deposits due to mature within 12 months of the reporting date	**1,123.16**	963.28
		1,423.71	2,213.75

Particulars	31 March 2019	31 March 2018
Margin money due to mature within 12 months of the reporting date included under 'Other bank balances'	**1,123.16**	963.28
Margin money due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 16)	**8.85**	868.34

20	**Short -term loans and advances**		
	(Unsecured, considered good)		
	To related parties (refer note 29.11)		
	Loan to subsidiary	**50.00**	-
	Interest receivable on loan to subsidiary	**3.75**	-
	Advance to suppliers	**671.95**	370.99
	Security deposits	**7.20**	7.20
	To others		
	Advance to suppliers	**1,790.36**	1,167.34
	Capital advances	**7.25**	248.73
	Security deposits	**64.04**	50.30
	Loans and advances to staff	**118.51**	102.33
	Balance with government authorities	**13.94**	2.42
	Advance tax and tax deducted at source [net of provision for tax Rs 1,478.50 lakhs (Previous year: Rs Nil)]	**115.58**	-
	Prepaid expenses	**96.86**	133.13
	Other loans and advances	**531.05**	79.21
		3,470.49	2,161.65
21	**Other current assets**		
	(Unsecured, considered good)		
	Interest accrued on deposits	**31.96**	64.94
	Other receivable	**4.84**	29.84
		36.80	94.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31st March 2019	31st March 2018
22	**Revenue from operations**		
	Sale of products		
	Finished goods:		
	- Electricals and electronics	**17,591.55**	18,342.53
	- Solar	**8,684.89**	7,077.44
		26,276.44	25,419.97
	Traded goods:		
	- Electricals and electronics	**-**	1,246.52
	- Solar	**-**	-
		-	1,246.52
	Sale of services		
	- Electricals and electronics	**1,710.89**	1,814.64
	- Solar	**4,311.30**	284.76
		6,022.19	2,099.40
	Other operating revenues		
	- Duty drawback	**24.40**	0.50
		32,323.03	28,766.39
23	**Other income**		
	Interest income	**93.27**	77.24
	Rental income	**130.53**	82.74
	Foreign exchange gain (net)	**18.83**	-
	Sundry balances written back	**-**	3.27
	Discount received	**-**	28.25
	Share of profit in partnership firm	**36.59**	-
	Profit on sale of property, plant and equipments (net)	**2.41**	0.10
		281.63	191.60
24	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	**1,380.85**	1,043.53
	Add: Purchases	**27,448.11**	24,073.24
		28,828.96	25,116.77
	Less: Inventory of materials at the end of the year	**1,423.89**	1,380.85
		27,405.07	23,735.92
	Breakup of cost of material consumed		
	- Electricals and electronics	**14,179.92**	16,450.76
	- Solar	**13,225.15**	7,285.16
		27,405.07	23,735.92
25	**Changes in inventories of finished goods and work-in-progress**		
	Inventories at the end of the year		
	Work-in-progress	**1,812.63**	1,281.30
	Finished goods	**-**	2.90
		1,812.63	1,284.20
	Inventories at the beginning of the year		
	Work-in-progress	**1,281.30**	498.70
	Finished goods	**2.90**	2.90
		1,284.20	501.60
		(528.43)	(782.60)
26	**Employee benefits expense**		
	Salary, allowances, wages, bonus and other benefits	**1,497.38**	1,390.72
	Contribution to provident and other fund (Refer note 29.10)	**105.12**	86.77
	Gratuity (Refer note 29.10)	**49.50**	73.28
	Compensated absences (Refer note 29.10)	**9.61**	40.59
	Staff welfare expenses	**52.97**	98.56
		1,714.58	1,689.92

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31st March 2019	31st March 2018
27	**Finance costs**		
	Interest expense	**363.21**	292.05
	Interest on delayed payments of taxes	**27.24**	36.14
	Bank charges	**221.32**	169.71
	Other financial charges	**22.40**	-
		634.17	497.90
28	**Other expenses**		
	Rent	**308.08**	282.78
	Power and fuel	**85.05**	85.36
	Repairs and maintenance		
	- plant and machinery	**40.21**	89.06
	- buildings	**6.17**	4.43
	Vehicle running expenses	**25.58**	26.35
	Rates and taxes	**64.74**	29.70
	Insurance	**36.30**	11.71
	Liquidated damages	**78.00**	28.33
	Inspection charges	**99.08**	84.28
	Technical know-how expense	**60.00**	-
	Clearing and forwarding expense	**156.66**	116.51
	Travelling and conveyance	**79.99**	77.54
	Postage and telephone	**38.53**	43.17
	Legal and professional fees	**440.69**	401.50
	Payment to auditors (refer note 29.6)	**10.00**	8.85
	Expenses on corporate social responsibility (refer note 29.8)	**8.50**	7.70
	Director sitting fees	**1.80**	-
	Foreign exchange loss (net)	**-**	49.93
	Share of loss in partnership firms	**0.02**	0.97
	Housekeeping and security charges	**29.94**	37.52
	Printing and stationery	**25.55**	23.90
	Sales promotion and advertisement expenses	**109.30**	165.32
	Provision for doubtful receivables	**50.21**	-
	Bad debts written off	**109.11**	59.77
	Advances and sundry balances written off	**50.51**	-
	Miscellaneous expenses	**26.96**	21.25
	Total	**1,940.98**	1,655.93

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

29. Notes to the account

29.1 Contingent liabilities and commitments (to the extent not provided for)

a) Contingent liabilities:

Particulars	31 March 2019	31 March 2018
a. Guarantees given by Company's bankers		
(i) Bank guarantee against advance and liquidated damages given to customers (net of liabilities accounted for) reduced by an amount of Rs 794.09 lakhs (Previous year: Rs 1,305.66 lakhs) towards the counter bank guarantee received from sub-contractors	**2,279.18**	1,957.29
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs 1,180.45 lakhs (Previous year: Rs Nil) towards the counter bank guarantee received from sub-contractors	**4,527.12**	3,551.88
(iii) Foreign bank guarantees	**1,546.10**	-
b. Corporate guarantee given by the Company	**233.33**	1,782.29
c. Letter of credit opened in favour of suppliers	**147.04**	3,530.36
d. Bills discounted with bank	**261.15**	-
e. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Rs 6.26 lakhs (previous year: Rs Nil lakhs)] {refer note (i)}	**237.69**	16.09

Note:

i) The various disputed tax litigations are as under:

Particulars	Period to which relates	31 March 2019	31 March 2018
a. Income Tax Disallowances / additions made by the income tax department pending before various appellate authorities	AY 13-14 to AY 16-17 (Previous year: AY 13-14 to AY 15-16)	**174.75**	16.09
b. Sales Tax / VAT Demands raised by Sales tax / VAT department pending before various appellate authorities	FY 15-16	**62.94**	-
		237.69	16.09

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the standalone financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

b. Commitments:

Particulars	31st March 2019	31st March 2018
a. Estimated amountof capital contracts remaining to be executed and not provided for (net of advances)	**65.25**	-

29.2 Earnings in foreign currency (on accrual basis)

Particulars	31st March 2019	31st March 2018
F.O.B value of exports	**2,110.03**	2,321.40

29.3 Expenditure in foreign currency (on accrual basis)

Particulars	31st March 2019	31st March 2018
Legal and consultation fees	**66.22**	2.97
Commissioning and after sales services	**50.14**	-
Finance costs	**22.40**	-
Others	**25.89**	13.57
	164.65	16.54

29.4 Details of imported and indigenous raw material consumed during the financial year

Particulars	31st March 2019		31st March 2018	
	Value	%of total consumption	Value	% of total consumption
Imported	**7,722.39**	**28.18**	2,290.79	9.65
Indigenous	**19,682.68**	**71.82**	21,445.13	90.35
	27,405.07	**100.00**	23,735.92	100.00

29.5 Value of import calculated on CIF basis (on accrual basis)

Particulars	31st March 2019	31 March 2018
Raw materials	**7,626.73**	2,410.40

29.6 Payment to auditor's

Particulars	31st March 2019	31st March 2018
Statutory audit fees- standalone	**8.75**	5.00
Statutory audit fees- Consolidation	**1.25**	-
Tax audit fees	**-**	2.50
Taxes	**-**	1.35
	10.00	8.85

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

29.7 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro, Small and Medium Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the Company, there are no over-dues outstanding to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

29.8 Corporate social responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. 8.50 lakhs (Previous year: Rs. 7.70 lakhs) towards this cause and charged the same to the standalone statement of profit and loss.

29.9 Earnings per share (EPS)

	Particulars	31st March 2019	31st March 2018
a)	**Profit after tax attributable to equity shareholders – Rs in lakhs**	777.72	1,172.41
b)	**Basic and diluted earnings per share**		
	Weighted average number of equity shares during the year	21,115,976	17,608,802
	Basic and diluted earnings per share (in rupees) (a/b)	3.68	6.66
	Face value of shares (in rupees)	10	10

29.10 Employee benefits

Defined contribution plan

Contribution to Provident funds

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance scheme and labour welfare scheme, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the standalone statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund and other fund for the year aggregated to Rs.105.12 lakhs (Previous year Rs. 86.77 lakhs)

Defined benefit plan

Gratuity

The Company operates an unfunded post-employment defined benefit plan that provides for gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive gratuity at 15 days salary (salary last drawn) for each completed years of service at the time of retirement / exit. The plan is unfunded.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method as required by Accounting Standard (AS) 15 (Revised) prescribed in the Companies (Accounts) Rules, 2014 issued by the Central Government.

The following table summarizes the position of obligation relating to gratuity plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

i) Changes in present value of the defined benefit obligation

Particulars	31st March 2019	31st March 2018
Obligation as at beginning of the year	**125.60**	65.29
Current service cost	**30.49**	23.86
Interest cost	**9.67**	4.70
Benefits paid	**(17.50)**	(12.97)
Past service cost	**27.55^**	44.72
Actuarial (gain) / loss on obligation	**(18.31)**	- #
Obligation as at the end of the year	**157.50**	125.60

First actuarial valuation was done as on 31.03.2018

^The gratuity obligation for 27 employees with a joining date prior to 31 March 2018 was omitted from the previous year's valuation. This includes the gratuity obligation for 2 directors of Rs 19.25 lakhs. The value of this obligation is reflected as 'Past Service Cost'

ii) Fair value of plan assets

The gratuity scheme of the Company is not funded and therefore disclosures relating to fair value of the plan assets are not applicable.

iii) Amount recognised in the balance sheet

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation	**157.50**	125.60
Fair value of plan assets	**-**	-
Liability recognised in the Balance Sheet	**157.50**	125.60

iv) Expenses recognised in the statement of profit and loss

Particulars	31 March 2019	31 March 2018
Current service cost	**30.49**	23.86
Interest cost	**9.67**	4.70
Past service cost	**27.55**	44.72
Net actuarial (gain) / loss for the year	**(18.31)**	-
Net benefit expenses	**49.40**	73.28

v) Balance sheet reconciliation

Particulars	31 March 2019	31 March 2018
Net liability as at the beginning of the year	**125.60**	65.29
Expenses as above	**49.40**	73.28
Contribution from the employer	**-**	-
Benefit paid directly by the employer	**(17.50)**	(12.97)
Amount recognized in the balance sheet(Net liability)	**157.50**	125.60

vi) Actuarial assumptions

Particulars	31 March 2019	31 March 2018
Discount rate	**7.60% p.a.**	7.70% p.a.
Salary growth rate	**8.00% p.a.**	8.00% p.a.
Withdrawl / Attrition rate	**2.00% p.a.**	2.00% p.a.
Expected weighted average remaining working lives	**13 years**	13 years
Mortality Table	**IALM 2012-2014 (Ult.)**	IALM 2006-2008 (Ult.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

vii) Experience adjustment

Particulars	31 March2019	31 March 2018
Defined benefit obligation	**157.50**	125.60
Fair value of plan assets	**-**	-
(Surplus) / Deficit	**157.50**	125.60
Exp. Adj. on plan liabilities: (gain) / loss	**(19.94)**	- *
Exp. Adj. on plan assets: gain / (loss)	**NA**	NA

* Being the first actuarial valuation

a) Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended).

b) The discount rate is based on the prevailing market yields on Indian Government securities as at the balance sheet date for the projected term of the obligations.

c) The estimates of future salary growth considered in the actuarial valuation take into account an employee's seniority, promotion and other factors as well as inflation.

d) Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to mortality.

Other long-term employee benefit

The obligation of compensated absences (non-funded) for the year 31 March 2019 amounting to Rs. 9.61 lakhs (Previous year Rs. 40.59 lakhs) has been recognized in the standalone statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method

29.11 Related party disclosures

A) Name of related parties

(i) Holding Company

KDU Enterprises Private Limited

(ii) Other related parties

(a) Subsidiary companies

Eltech Engineers Madras Private Limited

MEL Power Systems FZC

(b) Step down subsidiary company/ joint venture

STI S.R.L., a subsidiary company of MEL Power Systems FZC

Technology Ventures Middle East (FZC), 50% held by MEL Power Systems FZC w.e.f. 11.06.2018

(c) Partnership firms in which Company is partner

Automatic Electronic Control s Manufacturing Co.

Narhari Engineering Works

(d) Partnership firms in which directors are partners

DKM Precision Engineers

Philins Industrial Corporation

WIN Marine Consultancy Services

(e) Enterprises in which directors have significant influence

KDU Marine Equipment Trading and Maintenance LLC

KDU Worldwide Middle East Marine Services LLC

KDU Worldwide Technical Services FZC

KDU Worldwide Technical Services Ghana Private Limited

KDU Worldwide Technical Services Private Limited, Srilanka

KDU Worldwide Technical Services Nigeria Private Limited

Mcgeoch Marine Electricals Private Limited

Switch N Control Gears Private Limited

Voks Ship Management Private Limited

WIN Marine Engineering Services

(f) Key managerial personnel and relatives

Mr. Vinay Uchil, Chairman and Executive Director

Mr. Venkatesh Uchil, Managing Director

Mr. Rohit Shetty, Chief Financial Officer w.e.f. 03 August 2018

Mr. Sudhir Gupta, Company Secretary w.e.f. 01 August 2018 upto 16 November 2018

Ms. Vedshri Chaudhari, Company Secretary w.e.f. 07 December 2018

Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

B) Related party transactions during the year

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Rent paid		
KDU Enterprises Private Limited	**212.40**	211·05
Philins Industrial Corporation	**28.32**	23·64
Ms. Rashmi Uchil	**7.20**	7.20
b) Rent received		
DKM Precision Engineers	**44.25**	-
c) Interest expense		
KDU EnterprisesPrivateLimited	**1.38**	-
d) Interest income		
Eltech Engineers Madras Private Limited	**4.16**	-
e) Consultancy fees		
Ms. Rashmi Uchil	**7.20**	7.20
f) Share in profit of partnership firm		
Narhari Engineering Works	**36.59**	-
g) Share in loss of partnership firm		
Automatic Electronic Controls Manufacturing Co.	**0.02**	0.25
Narhari Engineering Works	**-**	0.72
h) Purchases		
DKM Precision Engineers	**-**	11.07
Eltech Engineers Madras Private Limited	**2.58**	-
KDU Enterprises Private Limited	**241.77**	63.04
KDU Marine Equipment Trading and MaintenanceLLC	**22.65**	8.67
KDU Worldwide Technical Services FZC	**14.40**	12.34
Mcgeoch Marine Electricals Private Limited	**44.74**	1.26
MEL Power Systems FZC	**82.06**	863.64
Narhari Engineering Works	**-**	10.14
Philins Industrial Corporation	**11.08**	7.75
Switch N Control Gears Private Limited	**171.86**	87.56
STI S.R.L.	**0.48**	94.11
i) Sales		
Eltech Engineers Madras Private Limited	**361.09**	-
Mcgeoch Marine Electricals Private Limited	**0.38**	2.47
MEL Power Systems FZC	**82.52**	136.23
Narhari Engineering Works	**14.35**	-
KDU Enterprises Private Limited	**14.34**	-
KDU Marine Equipment Trading and MaintenanceLLC	**128.27**	126.82
KDU Worldwide Technical Services FZC	**-**	6.21
KDU Worldwide Technical Services Ghana Private Limited	**-**	0.58
Technology Ventures Middle East (FZC)	**25.43**	-
j) Loan taken		
KDU Enterprises Private Limited	**-**	38.00
k) Loan repaid		
KDU Enterprises Private Limited	**38.00**	-
l) Loan given		
Eltech Engineers Madras Private Limited	**50.00**	-
m) Advance paid to suppliers and received back		
KDU Enterprises Private Limited	**145.00**	-
Mcgeoch Marine Electricals Private Limited	**176.00**	-
Philins Industrial Corporation	**45.00**	-
Switch N Control Gears Private Limited	**195.11**	-
n) Advance received from customers and repaid back		
KDU Enterprises Private Limited	**157.00**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
o) Capital infusion in partnership firms		
Narhari Engineering Works	**550.00**	-
p) Capital withdrawn from partnership firm		
Automatic Electronic Controls Manufacturing Co.	**16.20**	-
Narhari Engineering Works	**89.00**	-
q) Managerial remuneration		
Mr. Venkatesh Uchil	**48.00**	48.00
Mr. Vinay Uchil	**48.00**	48.00
Mr. Rohit Shetty	**16.00**	-
Mr. Sudhir Gupta	**0.70**	-
Ms. Vedshri Chaudhari	**1.00**	-

Note:

Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable.

C) Outstanding balances as at year end

a) Loan payable		
KDU Enterprises Private Limited	**-**	38.00
b) Loan receivable		
Eltech Engineers Madras Private Limited	**50.00**	-
c) Interest receivable on loan		
Eltech Engineers Madras Private Limited	**3.75**	-
d) Trade receivables		
DKM Precision Engineers	**35.45**	-
Eltech Engineers Madras Private Limited	**171.37**	-
KDU Enterprises Private Limited	**14.34**	-
KDU Marine Equipment Trading and Maintenance LLC	**170.41**	137.81
KDU Worldwide Technical Services FZC	**4.07**	23.64
KDU Worldwide Technical Services Ghana Private Limited	**47.76**	44.19
MEL Power Systems FZC	**98.28**	56.00
Technology Ventures Middle East (FZC)	**89.69**	-
WIN Marine Engineering Services	**17.96**	16.84
e) Advance to suppliers		
DKM Precision Engineers	**300.00**	-
Eltech Engineers Madras Private Limited	**90.37**	90.37
Mcgeoch Marine Electricals Private Limited	**14.00**	-
Philins Industrial Corporation	**26.00**	-
STI SRL	**241.58**	260.65
Switch N Control Gears Private Limited	**-**	19.97
f) Trade payables		
KDU Enterprises Private Limited	**-**	98.20
KDU Marine Equipment Trading and Maintenance LLC	**2.63**	8.76
KDU Worldwide Technical Services FZC	**14.21**	52.89
MEL Power Systems FZC	**0.63**	56.17
Narhari Engineering Works	**2.97**	10.14
Philins Industrial Corporation	**-**	19.17
STI SRL	**0.48**	100.32
g) Security deposits receivables		
KDU Enterprises Private Limited	**240.00**	240.00
Philins Industrial Corporation	**20.00**	20.00
Ms. Rashmi Uchil	**7.20**	7.20
h) Capital in partnership firm		
Narhari Engineering Works - Fixed capital	**400.00**	400.00
Narhari Engineering Works - Current capital	**801.27**	303.68
Automatic Electronic Controls Manufacturing Co.	**4.21**	20.43

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

29.12 Segment reporting

The Company has identified business segment as its primary reporting segment and geographical segment as its secondary segment.

(I) **Primary segment information**

Based on the nature of products and services, the risk and return profile of individual business and the internal business reporting systems, the Company has identified its primary reportable business segments comprising of:

a. Electricals and Electronics

b. Solar

Particulars	31 March 2019	31 March 2018
A. Revenue		
Segment revenue		
(a) Electricals and Electronics	**19,326.84**	21,404.19
(b) Solar	**12,996.19**	7,362.20
(c) Intersegment sale	**-**	-
Total	**32,323.03**	28,766.39
B. Results		
Segment results		
(a) Electricals and Electronics	**2,046.19**	2,090.58
(b) Solar	**(577.52)**	17.48
Total	**1,468.67**	2,108.06
Less: Finance costs	**634.17**	497.90
Add: Other unallocable income net of unallocable expenses	**259.66**	158.80
Profit before tax	**1,094.16**	1,768.96
Tax expense	**316.44**	596.55
Profit after tax	**777.72**	1,172.41
C. Other information		
Segment assets		
(a) Electricals and Electronics	**20,780.34**	18,847.61
(b) Solar	**7,253.44**	8,853.21
Segment liabilities		
(a) Electricals and Electronics	**9,982.45**	10,722.81
(b) Solar	**4,248.32**	8,886.94
Capital employed (Segment asset – Segment liabilities)		
(a) Electricals and Electronics	**10,797.90**	8,074.80
(b) Solar	**3,005.12**	(33.73)
Depreciation and amortisation		
(a) Electricals and Electronics	**269.99**	391.26
(b) Solar	**74.14**	0.70
Capital expenditure		
(a) Electricals and Electonice	**371.86**	191.74
(b) Solar	**460.63**	2.02

(ii) Secondary segment information

The Company caters mainly to the needs of the Indian markets and the export turnover being 6.53% (Previous Year: 8.07%) of the total turnover of the Company. There are no reportable geographical segments. All assets are located in India.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

29.13 Lease

a) The Company has not entered into any finance lease as specified in Accounting Standard (AS) 19 Leases. The Company has, however, taken various residential/commercial premises under operating leases arrangements. These lease arrangements are normally renewed on expiry, wherever required.

b) During the year, an amount of Rs. 308.08 lakhs (Previous year: Rs 282.78 lakhs) was recognised as an expense in the standalone statement of profit and loss in respect of operating leases.

29.14 Unhedged foreign currency exposure

Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	Foreign currency	Amount in Foreign currency	Amount equivalent in Rs. Lakhs	Amount in Foreign currency	Amount equivalent in Rs. Lakhs
		2019	2019	2018	2018
Foreign currency receivables					
- representing advances	USD	1,245,405	742.47	1,200,000	775.87
	EURO	19,223	14.84	-	-
- representing trade receivables	USD	806,482	551.88	806,014	516.40
	EURO	105,064	80.16	83,760	67.27
Foreign currency payable					
- representing trade payable	AED	4,750	0.92	25,923	4.73
	USD	1,783,248	1,247.03	592,932	389.37
	EURO	204,041	161.23	403,114	330.11
	NOK	91,785	7.48	-	-
	GBP	-	-	11,115	10.38
- Foreign Currency Non-Resident (Bank) "FCNR(B) " Loan	USD	15,945	11.15	280,905	184.39
Foreign currency notes	EURO	364	0.29	-	-
	USD	581	0.41	-	-

29.15 Change of auditors

Prior year's figures were audited by a firm of chartered accountants other than S G J & Co.

29.16 Previous Years Figures

a) Previous year's revenue and costs are stated at gross i.e. including taxes in applicable cases and to that extent these are not comparable with that of current year figures.

b) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / presentation.

As per our report of the even date attached.

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

Mumbai, May 23, 2019

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of

Marine Electrical (India) Limited

(formerly known as Marine Electricals (India) Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Marine Electricals (India) Limited (formerly known as Marine Electricals (India) Private Limited) ("the Company") and its subsidiaries and joint ventures (the Company and its subsidiaries and joint ventures together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

Without qualifying our opinion on account of these matters, we draw attention to following matters included in Notes to the financial statements:

1. Note 2.3 of the consolidated financial statements regarding the fact that a subsidiary company has incurred a loss of Rs 105.25 lakhs for the year ended 31 March 2019. As at 31 March 2019, its accumulated losses were Rs 290.35 lakhs, the current liabilities were Rs 608.44 lakhs and current assets were Rs 322.25 lakhs. Further, it's net worth as at 31 March 2019 was negative Rs 260.35 lakhs. The appropriateness of the going concern assumption is dependent upon realisation of various business initiatives undertaken by the subsidiary company. The majority shareholder i.e. Marine Electricals (India) Limited, of the subsidiary company has committed to provide all financial and other support to enable the subsidiary company to operate as a going concern.
2. Note 30.10 of the consolidated financial statements regarding the fact that in case of subsidiaries and joint ventures incorporated outside India, accounting policy with regards to depreciation on property, plant and equipment (tangible assets) and amortisation of intangible assets is different as compared to the written down value method adopted by the Company and other subsidiary incorporated in India. The consequential financial impact of adjustments on account of depreciation that would be required to be made in the consolidated financial statements to ensure conformity with the Group's accounting policy for depreciation is currently not ascertainable

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
2	***Revenue recognition accuracy, measurement, presentation and disclosure*** Revenue is measured based on transaction price, which is the consideration, adjusted for discounts. As disclosed in Note 2.9 to the consolidated financial statements, revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of products. Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.	Our audit procedures included following: - Considering the appropriateness of the management's accounting policies regarding revenue recognition; - Obtained an understanding of management's process over revenue recognition and evaluated design of internal controls around revenue recognition; - Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing. With regards to subsidiaries and joint ventures included in the consolidated financial statements, we have relied on the respective audited / unaudited separate financial statements / financial information made available to us.

Other information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

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

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

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) prescribed under Section 133 of the Act. The respective Board of Directors / Management of the subsidiaries and joint ventures included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors / Management of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

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 consolidated 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 Group 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for direction, supervision and performance of the audit of the financial information of such entities.
- For the other subsidiaries and joint ventures included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) and (b) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other subsidiaries included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

INDEPENDENT AUDITOR'S REPORT

Other Matters

a. We have not audited the financial statements of MEL Power Systems FZC, STI S.R.L. and Technology Ventures Middle East (FZC) whose financial statement reflect total assets of Rs 10,379.74 lakhs as at 31 March 2019, total revenue of Rs 6,273.92 lakhs and net cash flows amounting to Rs 20.88 lakhs for the year ended on that date, as considered in the consolidated financial statements. These separate financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

b. We have not audited the financial statements / financial information of Automatic Electronic Controls Manufacturing Co. whose financial statement reflect total assets of Rs 5.06 lakhs as at 31 March 2019, total revenue of Rs Nil and net cash flows amounting to negative Rs 5.69 lakhs for the year ended on that date, as considered in the consolidated financial statements. These separate financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited separate financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these separate financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and other financial information of such subsidiaries and joint ventures included in the Group, as noted in the 'Other Matters' paragraph, 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 of the aforesaid consolidated financial statements;

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (AS) prescribed under Section 133 of the Act;

(e) on the basis of the written representations received from the directors of the Company as on 31 March 2019 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

INDEPENDENT AUDITOR'S REPORT

(B) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries and joint ventures included in the Group, as noted in the 'Other Matters' paragraph:

1. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 30.1 to the consolidated financial statements;
2. the Company and such subsidiaries and joint ventures included in the Group did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
3. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India during the year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

Mumbai, May 23, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditors' Report – 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

In conjunction with our audit of the consolidated financial statements of Marine Electricals (India) Limited (formerly known as Marine Electricals (India) Private Limited) ("the Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary company incorporated in India (the Company and its subsidiary company incorporated in India together referred to as the "Group"), as of that date.

In our opinion, the Company and such subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the relevant subsidiary company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements.

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Other Matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiary company incorporated in India, is based solely on the report of the auditors of the subsidiary company incorporated in India.

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

Mumbai, May 23, 2019

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

EQUITY AND LIABILITIES	Note No.	31 March 2019	31 March 2018
Shareholders' funds			
Share capital	3	**2,453.31**	1,803.71
Reserves and surplus	4	**12,996.73**	7,750.72
		15,450·04	9,554.43
Minority interest	5	**609.45**	662.76
Non-current liabilities			
Long-term borrowings	6	**1,264.72**	318.27
Deferred tax liabilities (net)	7	**76.16**	184.72
Other long-term liabilities	8	**20.00**	20.00
Long-term provisions	9	**246.68**	163.07
		1,607.56	686.06
Current liabilities			
Short-term borrowings	10	**4,065.44**	3,965.55
Trade payables	11	**13,352.52**	16,434.57
Other current liabilities	12	**2,085.44**	3,727.97
Short-term provisions	13	**145.42**	324.90
		19,648.82	24,452.99
Total		**37,315.87**	35,356.24
ASSETS			
Non-current assets			
Property, plant and equipment	14		
Tangible assets		**3,757.72**	3,375.85
Intangible assets		**524.72**	564.55
Capital work-in-progress		**1,443.07**	1,362.00
Non-current investments	15	**334.02**	320.32
Long-term loans and advances	16	**382.84**	375.98
Other non-current assets	17	**24.29**	877.98
		6,466.66	6,876.68
Current assets			
Inventories	18	**5,588.03**	4,758.32
Trade receivables	19	**19,018.49**	18,408.57
Cash and bank balances	20	**1,678.91**	2,424.05
Short-term loans and advances	21	**4,512.09**	2,779.71
Other current assets	22	**51.69**	108.91
		30,849.21	28,479.56
Total		**37,315.87**	35,356.24
Significant accounting policies	2		
Notes to the consolidated financial statements	3-30		

The accompanying notes 3-30 form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

Mumbai, May 23, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	Note No.	31 March 2019	31 March 2018
Income			
Revenue from operations	23	**39,984.13**	36,880.49
Other income	24	**396.34**	297.89
		40,380.47	37,178.38
Expenses			
Cost of materials consumed	25	**32,710.42**	29,609.79
Changes in inventories of finished goods and work-in-progress	26	**(494.86)**	(962.78)
Employee benefits expense	27	**2,883.11**	2,795.52
Finance costs	28	**841.05**	652.17
Depreciation and amortisation	14	**485.58**	523.41
Other expenses	29	**2,668.95**	2,293.52
		39,094.25	34,911.63
Profit before tax		**1,286.22**	2,266.75
Tax expense:			
- Current tax		**479.54**	732.22
- Deferred tax charge / (credit)		**(108.56)**	(91.57)
Profit after tax		**915.24**	1,626.10
Less: Minority interest - share of (loss) / Profit		**(6.36)**	49.96
Profit for the year		**921.60**	1,576.14
Earning per equity share (in rupees)			
- Basic and diluted earning per equity share of face value of Rs 10 each	30.3	**4.36**	8.95
Significant accounting policies	2		
Notes to the consolidated financial statements	3-30		

The accompanying notes 3-30 form an integral part of the consolidated financial statements.

As per our report of even date attached

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
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Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

Mumbai, May 23, 2019

CONSOLIDATED CASH FLOW STATEMENT

as at 31st March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

			31 March 2019	31 March 2018
A)	**Cash flow from operating activities:**			
	Profit before taxation		**1,286.22**	2,266.75
	Depreciation and amortisation		**485.58**	523.41
	Unrealised exchange (gain) / loss		**(42.84)**	9.61
	Loss on sale of property, plant and equipment(net)		**3.73**	4.39
	Advances and sundry balances written off		**50.51**	-
	Sundry balances written back		**(77.99)**	(5.40)
	Bad debts written off		**111.89**	61.78
	Provision for doubtful receivables		**50.21**	-
	Finance costs		**841.05**	652.17
	Interest income		**(95.91)**	(78.02)
	Adjustment to reserves		**-**	2.21
	Adjustment on accountof consolidation		**702.93**	(170.80)
	Operating profit before working capital changes		**3,315.38**	3,266.10
	Adjustments for changes in working capital:			
	(Increase) in inventories		**(800.77)**	(1,033.90)
	(Increase) in trade receivables		**(659.17)**	(6,784.01)
	(Increase) in loans & advances and other assets		**(1,930.94)**	(1,131.20)
	(Decrease) Increase in trade payable		**(2,976.35)**	7,632.76
	(Decrease) Increase in liabilities and provisions		**(1,495.33)**	1,779.67
	Cash generated from operations		**(4,547.18)**	3,729.42
	Direct taxes paid (net)		**(800.96)**	(625.11)
	Net cash flows (used in) generated from operating activities	**(A)**	**(5,348.14)**	3,104.31
B)	**Cash flow from investing activities:**			
	Purchase of property, plant and equipment(including capital work in progress, movement in capital advances and capital creditors)		**(804.65)**	(724.70)
	Gross receipt on sale of property, plant and equipment		**13.16**	3.40
	Movement in fixed deposits		**686.27**	(1,644.96)
	Movement in non-current investments		**27.27**	2.41
	Interest received		**128.93**	21.56
	Net cash flows generated from (used in) investing activities	**(B)**	**50.98**	(2,342.29)
C)	**Cash flow from financing activities:**			
	Proceeds from (repayment of) long term borrowings (net)		**1,079.35**	(584.57)
	Proceeds from short term borrowings (net)		**38.37**	1,070.86
	Proceeds from issue of equity shares		**649.60**	85.89
	Proceeds from receipt of securities premium		**3,637.76**	412.25
	IPO expenses paid		**(199.50)**	-
	Finance cost paid		**(833.65)**	(652.17)
	Net cash flows generated from financing activities	**(C)**	**4,371.93**	332.26
	Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**(925.23)**	1,094.28
	Cash and cash equivalents at the beginning of the year		**1,455.64**	344.20
	Effects of exchange differences on translation of foreign currency cash and cash equivalents		**12.67**	17.16
	Cash and cash equivalent at the end of the year		**543.08**	1,455.64

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Note			
1	Component of cash and cash equivalent (Refer note20)		
	Cash in hand	**13.28**	8.76
	Bank balances		
	- in current accounts	**394.76**	1,410.12
	- EEFC accounts	**67.05**	36.76
	- cash credit accounts	**67.99**	-
		543.08	1,455.64

2. The above cash flow statement has been prepared under "indirect method" set out in Accounting Standard - 3 on cash flow statements.

As per our report of even date attached.

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
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Som Nath Saini
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Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

Mumbai, May 23, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

1. Background

Marine Electricals India Limited ("the Company") was initially incorporated as a private limited company with the name "Marine Electricals (India) Private Limited" on 4th December 2007 under the Companies Act, 1956 by converting a partnership firm with the name "Marine Electricals". On 1st August 2018 the Company was converted into a public limited company and the name got changed to "Marine Electricals (India) Limited". The Company got listed on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE") on 11th October 2018.

The Company is engaged in manufacturing and sale of all types of marine and industrial electrical & electronic components like switch-gears, control-gears etc. and is also engaged in renewable energy sector specifically solar. It also provides services like designing, fabricating etc. for all types of electrical & electronic installations in India and abroad and undertake annual maintenance contracts.

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

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

The accompanying consolidated financial statements of the Company have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'). The consolidated financial statements are presented in Indian Rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.2 Principles of consolidation

I) The consolidated financial statements ("CFS") relates to Marine Electricals India Limited ("the Company") and its subsidiaries and joint ventures (the Company and its subsidiaries and joint ventures together referred to as "the Group"). The consolidated financial statements relate to the Group.

ii) The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements".
- The financial statements of the parent and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses.
- In accordance with AS-27, "Financial Reporting of interest in joint venture", the financial statements of the joint ventures are consolidated using proportionate consolidation method by adding book values of like items of assets, liabilities, income and expenses of joint ventures after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses to the extent of the Group's proportionate share.

iii) Investments other than in subsidiaries and joint ventures are accounted as per AS-13, "Accounting for Investments".

iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for the like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies, unless for situations where the financial impact of such adjustment in accounting policies is not expected to be significant. Differences in accounting policies have been disclosed separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

v) All the foreign subsidiaries and joint ventures of the Company have been identified as non- integral foreign operations in accordance with the requirements of AS-11. The translation of the financial statements of such non-integral foreign operations for incorporation in the consolidated financial statements has been performed by using the following exchange rates:

a) All assets and liabilities, both monetary and non- monetary are translated using the closing rate.

b) Revenue items are translated at the respective yearly average rates.

c) The resulting net exchange difference is presented as "Foreign Currency Translation Reserve" under Reserves and Surplus.

d) Contingent liabilities are translated at the closing rate.

vi) The subsidiaries and joint ventures considered for consolidation together with the country of incorporation, relation and proportion of ownership interest held by the Company is as follows:

Name of the entity	Country of incorporation	Relation	Proportion of ownership interest held by the Company 31 March 2019
Eltech Engineers Madras Private Limited	India	Subsidiary company	70.00%
MEL Power Systems FZC	United Arab Emirates	Subsidiary company	90.00%
STI S.R.L.	Italy	Step down subsidiary (75% held by MEL Power Systems FZC)	67.50%
Technology Ventures Middle East (FZC)	United Arab Emirates	Step down joint venture (50% held by MEL Power Systems FZC)	45.00%
Narhari Engineering Works	India	Partnership firm in which Company is partner	80.00%
Automatic Electronic Controls Manufacturing Co.	India	Partnership firm in which Company is partner	50.00%

vii) Minority Interest represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since the date the parent subsidiary relationship comes into existence.

viii) Minority's share in net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

ix) Minority interest's share in net assets of the Group is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

x) The excess of investment in subsidiaries over the share of equity in subsidiaries at the date of making the investment is recognized in consolidated financial statements as Goodwill on consolidation. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The excess of share of equity of subsidiaries over the cost of acquisition of the respective investment is treated as Capital Reserve. For this purpose, share of equity is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

2.3 Going concern

Eltech Engineers Madras Private Limited, a subsidiary company, has incurred a loss of Rs 105.25 lakhs for the year ended 31 March 2019. As at 31 March 2019, its accumulated losses were Rs 290.35 lakhs, the current liabilities were Rs 608.44 lakhs and current assets were Rs 322.25 lakhs. Further, it's net worth as at 31 March 2019 was negative Rs 260.35 lakhs. However, the subsidiary company has been in continued operations backed with adequate orders to be executed and support from parent company. The subsidiary company is very positive of overcoming these accumulated losses with the basis of improved business in coming years and also additional funding support from its shareholders and will continue to operate as a going concern and consequently will be in a position to continue in operation for the foreseeable future, to realize its assets and to discharge its liabilities as they fall due for payment in the normal course of business.

Accordingly, the separate financial statements of the subsidiary company have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if it is unable to continue as a going concern.

2.4 Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the consolidated financial statements. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of consolidatedfinancial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying consolidated financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.5 Current / Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c)it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the balance sheet date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.6 Property, plant and equipment (tangible assets) and depreciation

Property, plant and equipment (tangible assets) are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation up to the time the assets are ready for intended use.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses, other directly attributable costs and borrowing costs.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefit from existing assets beyond its previously assessed standard of performance.

For entities other than subsidiaries and joint ventures incorporated outside India i.e. MEL Power Systems FZC, STI S.R.L. and Technology Ventures Middle East (FZC), depreciation on property, plant and equipment except leasehold land, is provided under the written down value method in accordance with the useful life prescribed in Schedule II to the Act. In case of subsidiaries and joint ventures incorporated outside India, depreciation on property, plant and equipment is provided on a straight-line basis over the expected useful life and in case of STI S.R.L. for the first year of entry into operations of the assets, they are reduced by 50% as representative of the effective participation in the production process which can be considered as average at half year.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use. Depreciation on sale of assets is provided up to the date of sale of the asset.

The estimated useful lives of the property, plant and equipment considered by the Company are as follows:

Tangible Assets	**Estimated useful life (in years)**
Buildings	30
Plant and machinery	15
Plant and machinery – Drilling Rig	30
Computers	3
Furniture and fixtures	10
Vehicles	8
Office equipment	3-5

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss.

Leasehold land is amortised on a straight line basis over the unexpired period of respective lease arrangement. Annual lease rent paid is charged to the consolidated statement of profit and loss.

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Advance paid for acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed as advances on capital account.

2.7 Intangible assets and amortisation

Intangible assets are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. For entities other than subsidiaries and joint ventures incorporated outside India, intangible assets are amortised on a written down value method in accordance with the useful life prescribed in Schedule II to the Act. In case of subsidiaries and joint ventures incorporated outside India, intangible assets are amortised on a straight-line basis over their estimated useful life.

The estimated useful lives of the intangible assets considered by the Company are as follows:

Intangible Assets	Estimated useful life (in years)
Software	3

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss.

2.8 Impairment of assets

In accordance with Accounting Standard 28 on 'Impairment of assets', the Group assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognised in the consolidated statement of profit and loss or against revaluation surplus, where applicable.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

2.9 Inventories

Inventories other than scrap materials are carried at lower of cost or net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventory of scrap materials have been carried at net realisable value.

Cost is determined under the weighted average cost method and includes all costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress further includes direct labour and an appropriate share of production overheads as applicable Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Due allowances are made for defective, obsolete and slow-moving inventory, wherever necessary, based on management estimates and past experiences.

2.10 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured.

Sale of products

Revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of products. Sales are accounted net of taxes and trade discounts, if any, unless stated otherwise.

Revenue from support services

Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers and are recognised net of taxes, unless stated otherwise.

Interest income

Interest income is recognized using the time proportion method, based on the amount outstanding and the underlying interest rates.

Rental income

Rental income is recognized on a time proportion method based on the lease agreements.

Duty drawback

Duty drawback is recognized basis entitlement upon exports made. Provision is made for duty drawback entitlement pending to be received towards end of the year on exports made during the year.

2.11 Foreign currency transactions

(i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Conversion

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement or on reporting of monetary items at rates different from those at which they were initially recognized are recorded as income or as expenses in the year in which they arise.

2.12 Employee benefits

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include salary, wages, short- term compensated absences, performance incentives, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

(b) Long-term employee benefits:

(I) Defined contribution plans:

The Company's contribution to provident fund, superannuation fund, employee state insurance scheme and labour welfare fund are considered as defined contribution plans. The Company's contribution paid / payable under the plans are recognised as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

(ii) Defined benefits plan:

Post-employment benefit:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the

obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the consolidated statement of profit and loss.

Other long-term employment benefit:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

2.13 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Non-current investments are stated at cost unless there is any diminution in value, other than temporary, where provision for diminution is made on individual investment basis. Current investments are valued at cost or fair value, whichever is lower. Earning on investments is accounted for on accrual basis.

2.14 Taxes on income

Income tax expense comprises of current tax expense and deferred tax expense or credit.

Current taxes

Provision for current income-tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws.

Deferred taxes

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in the subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

2.15 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till such assets become operational. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the consolidated statement of profit and loss in the period in which they are incurred. The capitalisation of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time.

2.16 Earnings per share

The basic and dilutive earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.17 Leases

As a lessee

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

As a lessor

Leases where the Group has sustainability retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the consolidated statement of profit and loss on an accrual basis in accordance with the lease agreement.

2.18 Segment Reporting

Identification of segments

The Group operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operates.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

2.19 Derivative contracts:

Derivative contracts entered into, to hedge foreign currency/price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the consolidated financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the consolidated statement of profit and loss or consolidated balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the consolidated balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the consolidated statement of profit and loss.

The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the consolidated statement of profit and loss in the same period in which the hedged item is accounted.

2.20 Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that:

(a) the Group will comply with all the necessary conditions attached to them; and

(b) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to a specific property, plant and equipment, the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

2.21 Provisions and contingencies

Provision

Provision is recognized in the balance sheet when the Group has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at each balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

Provision for warranty

Product warranty costs are accrued in the year of sale of products, based on past experiences. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

Contingent liabilities and contingent assets

Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed.

		31 March 2019	31 March 2018
3	**Share capital** **Authorised** 2,50,00,000 (Previous year: 2,00,00,000) equity shares of Rs. 10 each	**2,500.00**	2,000.00
	Issued, subscribed and paid-up 2,45,33,050 (Previous year: 1,80,37,050) equity shares of Rs.10 each, fully paid-up	**2,453.31**	1,803.71

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

	31 March 2019		31 March 2018	
Equity shares of Rs 10 each fully paid-up	**No. of Shares**	**Amount**	No. of Shares	Amount
At the beginning of the year	**18,037,050**	**1,803.71**	17,178,200	1,717.82
Shares issued during the year (Refer note below)	**6,496,000**	**649.60**	858,850	85.89
At the end of the year	**24,533,050**	**2,453.31**	18,037,050	1,803.71

Note:

Pursuant to the Initial Public Offer (IPO), the Company has issued 64,96,000 equity shares having face value of Rs 10 each @ Rs 66 each including premium of Rs 56 per equity share. The equity shares of the Company got listed on 11th October 2018 on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE")

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share (Previous Year: Rs 10 per share). Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residuals assets. The equity share holders are entitled to receive dividend from time to time. Each holder of equity shares is entitled to one vote per share.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

c) Shares held by holding company

	31 March 2019		31 March 2018	
	No. of Shares	**Amount**	No. of Shares	Amount
Equity shares of Rs 10 each fully paid-up of the Company are held by - KDU Enterprises Private Limited	**12,681,375**	**1,268.14**	12,681,375	1,268.14

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2019		31 March 2018	
Equity Shares of Rs 10 each fully paid-up	**No. of Shares**	**% of Holding**	No. of Shares	% of Holding
KDU Enterprises Private Limited	**12,681,375**	**51.69%**	12,681,375	70.31
Mr. Venkatesh K. Uchil	**5,354,475**	**21.83%**	5,354,475	29.68

		31 March 2019	31 March 2018
4	**Reserves and surplus**		
	(a) Securities premium account		
	At the commencement of the year	**545.28**	133.03
	Add: Premium on shares issued during the year {(Refer note (a)}	**3,637.76**	412.25
	Less: Share issue expenses {Refer note (b)}	**(199.50)**	-
	At the end of the year	**3,983.54**	545.28
	(b) General Reserve		
	At the commencement of the year	**708.10**	708.10
	Add: Movement during the year	-	-
	At the end of the year	**708.10**	708.10
	(c) Surplus as per the statement of profit and loss		
	At the commencement of the year	**6,187.41**	4,610.44
	Add: Addition / (deletion) on account of opening balance on acquisition of step down joint venture / subsidiary	**1,997.49**	(59.35)
	Add: Profit for the year	**921.60**	1,576.14
	Add: Appropriations during the year	**-**	2.21
	Less: Adjustment in reserves of foreign step down joint venture due to disposal of non-current assets	**(1,244.60)**	-
	Less: Adjustment on account of consolidation	**(3·01)**	(1.38)
	Less: Movement in minority interest during the year	-	59.35
	At the end of the year	**7,858.89**	6,187.41
	(d) Capital Reserve (net)	77.61	77.61
		77.61	77.61
	(e) Foreign currency translation reserve	368.59	232.32
	Total Reserves and Surplus	**368.59**	232.32
		12,996.73	7,750.72

Notes:

(a) Pursuant to the Initial Public Offer (IPO), the Company has issued 64,96,000 equity shares having face value of Rs 10 each @ Rs 66 each including premium of Rs 56 per equity share.

(b) Expenses specifically incurred by the Company in relation to IPO are netted off against premium received on shares issued during the year.

5	**Minority Interest**	31 March 2019	31 March 2018
	Equity share capital	**358.30**	405.25
	Current capital of partners	**33.65**	33.65
	Accumulated minority profits/(loss) upto previous year	**223.86**	233.25
	Movement in minority interest during the year on account change in reserves due to movement in share capital / partner's share	**-**	(59.35)
	Minority (loss) profit for the year	**(6.36)**	49.96
		609.45	662.76

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

6 Long-term borrowings

	31 March 2019		31 March 2018	
	Non current	Current	Non current	Current
Secured:				
Term loans:				
(a) From banks				
(i) Vehicle loan {refer note (a) and (b)}	**57.87**	**5.56**	65.87	6.46
(ii) Other term loans {refer note (c), (d) and (e)}	**1,090.08**	**316.07**	127.17	261.07
	1,147.95	**321.63**	193.04	267.53
(b) From others				
Vehicle loan {refer note (f) and (g)}	**14.24**	**9.85**	31.99	9.04
	14.24	**9.85**	31.99	9.04
Unsecured:				
Term loans:				
(a) From banks				
Other term loans {refer note (h)}	**48.06**	-	-	-
	48.06	-	-	-
(b) From others				
Other term loans {refer note (i) to (m)}	**54.47**	-	93.24	-
	54.47	-	93.24	-
	1,264.72	**331.48**	318.27	276.57

Current maturities of long term borrowings are classified as other current liabilities (Refer note - 12)

Notes:

(a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs 5.36 Lakhs as at 31 March 2019 (Previous year: Rs 10.10 Lakhs) taken by the Company is secured against hypothecation of vehicles and is repayable in monthly installments ranging from 36 to 60 months. The loans carry interest ranging from 9.00% p.a. to 11.26% p.a. (Previous year: 9.00% p.a. to 11.26% p.a.).

Indian rupee vehicle loan from ICICI Bank Limited outstanding of Rs 48.87 Lakhs as at 31 March 2019 (Previous year: Rs 62.23 Lakhs) taken by Narhari Engineering Works, is secured against hypothecation of vehicle and is repayable in 60 monthly installments. The loan carries an interest of 8.26% p.a. (Previous year: 8.26% p.a.).

(b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs 9.20 Lakhs as at 31 March 2019 (Previous year: Rs Nil) taken by the Company is secured against hypothecation of the vehicle and is repayable in 37 monthly installments. The loan carries an interest of 9.50% p.a. (Previous year: Nil).

(c) Foreign Currency Non-Resident (Bank) "FCNR(B)" term loan from ICICI Bank Limited outstanding of USD 15,945 equivalent to Rs 11.15 Lakhs as at 31 March 2019 (Previous year: USD 280,905 equivalent to Rs 184.39 Lakhs) taken by the Company is primarily secured by exclusive equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company. The loan is collaterally secured by exclusive equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 30 monthly installments. The loan carries an interest of LIBOR 3M + 4.05% (Previous year: LIBOR 3M + 4.05%). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited.

Indian rupee term loan from ICICI Bank Limited outstanding of Rs 102.45 Lakhs as at 31 March 2019 (Previous year: Rs 184.40 Lakhs) taken by the Company is primarily secured by exclusive charge on all of the Company's fixed assets (Plant and Machinery) funded by the loan. The loan is collaterally secured by exclusive equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, exclusive (after providing 1.5 times cover to the primary collateral of FCNR(B) term

loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and also subservient hypothecation charge on current assers i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 13 quarterly installments. The loan carries an interest of I-MCLR 1 Year + Spread of 1.90% p.a. (Previous year: I-MCLR 1 Year + Spread of 1.90% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited.

(d) Indian rupee Term loan from Kotak Mahindra Bank Limited outstanding of Rs 1,288.59 Lakhs as at 31 March 2019 (Previous year: Rs Nil) taken by the Company is primarily secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 60 monthly installments. The loan carries an interest of K-MCLR 6M + Spread of 1.15% p.a. (Previous year: Nil). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited.

(e) Indian rupee term loan from DCB Bank Limited outstanding of Rs 3.96 Lakhs as at 31 March 2019 (Previous Year: Rs 19.45 Lakhs) taken by Narhari Engineering Works, is primarily secured by hypothecation of machinery purchased from the term loan disbursed. The loan is collaterally secured by hypothecation of entire Plant & Machinery and registered mortgage of property situated at 3/B, Shri Industrial Estate, Near Dhavale Hospital, Boisar Road, Palghar - 401404. The loan is repayable in 24 monthly installments. The loan carries an interest of 3M MCLR + Spread, as applicable (previous year: 1 Year MCLR + 2.21% p.a.). The loan is backed by personal guarantee of Mr. Venketash Uchil and Mr. Vinay Uchil and corporate guarantee of the Company.

(f) Indian rupee vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs 10.40 Lakhs as at 31 March 2019 (Previous year: Rs 17.22 Lakhs) taken by the Company is secured against hypothecation of the vehicle and is repayable in 36 monthly installments. The loan carries an interest of 8.50% p.a. (Previous year: 8.50% p.a.).

Indian rupee vehicle loans from Kotak Mahindra Prime Limited outstanding of Rs 9.84 Lakhs as at 31 March 2019 (Previous year: 17.57 Lakhs) taken by Narhari Engineering Works, is secured against hypothecation of vehicles and is repayable in monthly installments ranging from 35 to 36 months. The loans carry interest ranging from 8.49% p.a. to 9.97% p.a. (Previous year: 8.49% p.a. to 9.97% p.a.).

(g) Indian rupee vehicle loan from Volkswagen Finance Private Limited outstanding of Rs 3.85 Lakhs as at 31 March 2019 (Previous year: Rs 6.24 Lakhs) taken by the Company is secured against hypothecation of the vehicle and is repayable in 36 monthly installments. The loan carries an interest of 8.75% p.a. (Previous year: 8.75% p.a.).

(h) Indian rupee unsecured term loan from Deutsche Bank outstanding of Rs 48.06 Lakhs as at 31 March 2019 (Previous year: Rs Nil) taken by Narhari Engineering Works. The loan is repayable in 36 monthly installments. The loan carries an interest of 3 month MCLR + 8.80% (Previous year: Nil).

(I) Indian rupee unsecured term loan from Tata Capital Financial Services Limited outstanding of Rs 17.20 Lakhs as at 31 March 2019 (Previous year: Rs Nil) taken by Narhari Engineering Works. The loan is repayable in 24 monthly installments. The loan carries an interest of 18.00% p.a. (Previous year: Nil).

(j) Indian rupee unsecured term loan from Aditya Birla Capital outstanding of Rs 22.02 Lakhs as at 31 March 2019 (Previous year: Rs Nil) taken by Narhari Engineering Works. The loan is repayable in 24 monthly installments. The loan carries an interest of 20.01% p.a. (Previous year: Nil).

(k) Interest free indian rupee unsecured loan from Electrovast Solutions outstanding of Rs 15.25 Lakhs as at 31 March 2019 (Previous year: Rs 15.25 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company.

(l) Interest free indian rupee unsecured loan from Mr. T. Upendra Rao outstanding of Rs Nil as at 31 March 2019 (Previous year: Rs 43.98 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company. The loan is written back by subsidiary company during the year

(m) Interest free indian rupee unsecured loan from T. Saroja outstanding of Rs Nil as at 31 March 2019 (Previous year: Rs 34.01 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company. The loan is written back by subsidiary company during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
7	**Deferred tax liabilities (net)**		
	The components of deferred tax balances are as follows:		
	(A) Deferred tax liability Arising on account of timing differences in: Excess of depreciation / amortisation on property, plant and equipment under income tax laws over depreciation / amortisation provided in the books	**202.95**	224.14
	Deferred tax liability (A)	**202.95**	224.14
	(B) Deferred tax assets		
	Provision for gratuity	**55.03**	25.37
	Provision for compensated absences	**15.99**	14.05
	Share issue expenses allowable u/s 35D	**55.77**	-
	Deferred tax assets (B)	**126.79**	39.42
	Deferred tax liabilities - net (A)-(B)	**76.16**	184.72

8	**Other long-term liabilities**		
	Security deposits	**20.00**	20.00
		20.00	20.00

9	**Long-term provisions**		
	Provision for employee benefits (refer note 30.4)		
	- Gratuity	**204.63**	123.40
	- Compensated absences	**42.05**	39.67
		246.68	163.07

10	**Short-term borrowings**		
	Secured:	**2,958.52**	3,094.16
	Cash credits / bank overdrafts from banks {refer note (a) to (e)}	**1,092.57**	815.19
	Working capital demandloan {refer notes (f)}	**8.20**	12.05
	Term loan from bank {refer notes (g) and (h)}		
	Unsecured:		
	Loan from others {refer notes (i) and (j)}	**6.15**	6.15
	Loan from otherrelated parties ((refer note (k)}	**-**	38.00
		4,065.44	3,965.55

Note:

(a) Cash credit facility from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2019 (Previous year: Rs 117.29 Lakhs) taken by the Company carrying interest of I-MCLR 6M + 1.90% p.a. is repayable on demand. These are secured by first pari-passu hypothecation on firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable, including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The facility is collaterally secured by exclusive equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, exclusive (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of

commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited.

The Company has a debit balance in cash credit account as on the date of Balance Sheet (refer note 20).

(b) Cash credit facility from Axis Bank Limited outstanding of Rs 48.74 Lakhs as at 31 March 2019 (Previous year: Rs Nil) taken by the Company carrying interest of 3 month MCLR + 2 bps (Previous year: Nil) is repayable on demand. These are secured by hypothecation of entire current assets including stock, raw material, semi-finished goods, consumable stores, receivables, bills, deposits etc. both present and future of the Company in pari passu with other banks. The facility is collaterally secured by industrial property siutated at Plot No. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichchpore, Bhatpore, Opp. GAIL Colony, Surat - 394510 and land and building at Plot No. N-51, 52, 59 & 60, Phase IV, Verna Industrial Estate, Salcete, Goa owned by the Company. The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited.

(c) Cash credit facility from State Bank Of India outstanding of Rs 2,773.00 Lakhs as at 31 March 2019 (Previous year: Rs 2,788.26 Lakhs) taken by the Company carrying interest of 3% above 1 year MCLR (Previous year: 2% above 1 year MCLR) is repayable on demand. These are secured by 1st pari passu hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and Goa plants. The facility is collaterally secured by:

i) Equitable / Registered Mortgage of Unit No B-1, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan-3, Plot no-F- 4+5+6, MIDC, Andheri (E), Mumbai owned by the Company;

ii) Equitable Mortgage on factory premises at S-17/18, Verna Industrial Estate, Phase-1, Verna Electronic City, Salcete, Goa owned by the Company;

iii) Hypothecation of all Plant & Machinery, present and future at Mumbai and Goa plants;

iv) Equitable / Registered Mortgage on Unit No A-2, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by M/s Philins Industrial Corporation;

v) Equitable / Registered Mortgage of Unit No B-2, D-1, B-3 Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by KDU Enterprises Pvt. Ltd.;

vi) Equitable / Registered Mortgage on 502/A and 502/B, Fifth Floor, Heritage, Hiranandani Gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai - 400076 owned by Mr. Venkatesh Uchil.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited and Philins Industrial Corporation.

(d) Cash credit facility from DCB Bank Limited outstanding of Rs 90.37 Lakhs as at 31 March 2019 (Previous year: Rs 96.99 Lakhs) taken by Narhari Engineering Works, carrying interest of 3M MCLR + Spread, as applicable (previous year: 1 Year MCLR + 2.21% p.a.) is repayable on demand. These are secured by hypothecation of stock & book debts & current assets. The loan is collaterally secured by hypothecation of entire Plant & Machinery and registered mortgage of property situated at 3/B, Shri Industrial Estate, Near Dhavale Hospital, Boisar Road, Palghar - 401404. The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr.Vinay Uchil and corporate guarantee of the Company.

(e) Overdraft facility from Canara Bank outstanding of Rs. 46.41 Lakhs as at 31 March 2019 (Previous year: Rs 91.62 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company, carrying interest of 1Y MCLR + 2.80 spread monthly reset is repayable in one year from the date of sanction i.e. till 05 July 2019. The loan is primarily secured by hypothecation of stocks and book debts arising out of genuine trade transaction. Age of book debts not older than 90 days for arriving DP. The loan is backed by personal guarantee of Mr. Vinay Uchil, Mr. Sriram Krishnamurthi, Mr. Venkatesh Uchil and Mr. T. Upendra Rao

(f) Foreign currency working capital demand loan from Axis Bank Limited, Dubai outstanding of AED 57.80 Lakhs equivalent to Rs 1,092.57 as at 31 March 2019 Lakhs (Previous year: AED 45.98 Lakhs equivalent to Rs 815.19 Lakhs) taken by MEL Power Systems FZC, a subsidiary company, carrying interest of 3M L + 200 bps p.a. is repayable on demand. These are secured by SBLC from Axis Bank Ltd, India with tenor 15 days more than WC tenor. The Company has primarily created in favour of Axis Bank Ltd, India subservient charge on entire current assets including stock, raw material, semi-finished good, consumable stores, receivables, bills, deposits etc. and moveable fixed assets both present and future of the Company in paripassu with other banks. The Company has placed collateral in favour of Axis Bank Ltd, India an industrial property situated at plot no. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichchpore, Opp. GAIL Colony, Surat - 394510 owned by the Company and Land & building at plot no. N-51, 52, 59 and 60 Phase IV Verna Industrial Estate, Salcete, Goa owned by the Company.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited.

(g) Foreign currency vehicle loans from RAK Bank outstanding of AED 0.11 Lakhs equivalent to Rs 1.99 Lakhs as at 31 March 2019 (Previous year: AED 0.68 Lakhs equivalent to Rs 12.05 Lakhs) taken by MEL Power Systems FZC, a subsidiary company, is secured against hypothecation of vehicles and is repayable in 48 to 49 monthly installments. The loans carry an interest of 8.62% p.a. (Previous year: 8.62% p.a.).

(h) Foreign currency vehicle loan from RAK Bank Limited outstanding of AED 0.73 Lakhs equivalent to Rs 6.21 Lakhs as at 31 March 2019 (Previous year: Rs Nil) taken by Technology Ventures Middle East (FZC), a step down joint venture, is secured against hypothecation of vehicle and is repayable in 48 monthly installments.

(i) Interest free indian rupee unsecured loan from Mr. Kiran Navnitrai Shah outstanding of Rs 4.21 Lakhs as at 31 March 2019 (Previous year: Rs 4.21 Lakhs) taken by Narhari Engineering Works, is repayable on demand.

(j) Interest free indian rupee unsecured loan from Mr. Prakash Navnitrai Shah outstanding of Rs 1.94 Lakhs as at 31 March 2019 (Previous year: Rs 1.94 Lakhs) taken by Narhari Engineering Works, is repayable on demand.

(k) Indian rupee unsecured loan from KDU Enterprises Private Limited outstanding of Rs. Nil as at 31 March 2019 (Previous year: Rs. 38.00 Lakhs) taken by the Company is repayable on demand. The loan carries interest of 15.00% (Previous year: Nil).

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
11	**Trade payables**		
	- Total outstanding dues to micro and small enterprises	-	-
	- Total outstanding dues to other than micro and small enterprises	**13,352.52**	16,434.57
		13,352.52	16,434.57

12	**Other current liabilities**		
	Current maturities of long-term borrowings	**331.48**	276.57
	Interest accrued but not due on borrowings	**7.40**	-
	Advance from customers	**1,058.61**	2,690.39
	Creditors for purchase of property, plant and equipment	**84.85**	193.60
	Employee dues payable	**204.81**	73.34
	Accrual for expenses	**105.19**	137.37
	Statutory dues payable:		
	- Tax deducted/ collected at source	**47.86**	20.32
	- Goods and service tax	**120.24**	44.89
	- Provident fund	**13.08**	14.23
	- Employee state insurance	**1.99**	1.57
	- Profession tax	**0.22**	0.36
	Commissioning expense payable	**7.40**	151.71
	Other payables	**102.31**	123.62
		2,085.44	3,727.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
13	**Short-term provisions**		
	Provision for employee benefits (refer note 30.4)		
	- Gratuity	**5.28**	2.19
	- Compensated absences	**3.70**	0.92
	Provision for taxation (net of advance tax)	**120.29**	321.79
	Provision for warranties (refer note below)	**16.15**	-
		145.42	324.90

Note:

A provision is recognised for expected warranty claims and after sales services on sale of products, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions.

Particulars	**31 March 2019**	31 March 2018
At the beginning of the year	**-**	**-**
Arising during the year	**16.15**	**-**
Utilized during the year	**-**	**-**
At the end of the year	**16.15**	-

14 Property, plant and equipment

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	Tangible Assets										Intangible Assets			Total
	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total	Softwares	Goodwill	Other intangible assets of foreign step down subsidiary	Total	
Gross Block															
At 1 April 2018	95.12	188.66	2,639.19	2,418.89	151.06	386.32	-	372.37	252.13	6,503.74	114.31	250.00	401.47	765.78	7,269.52
Addition on account of opening balance on acquisition of step down joint venture	-	-	-	9.72	-	55.82	-	23.96	-	89.50	-	-	-	-	89.50
Additions during the year	309.02	24.54	-	438.67	10.82	14.72	-	21.71	3.50	822.98	23.97	-	-	23.97	846.95
Reclassification during the year	-	-	-	-	-	(50.82)	50.82	-	-	-	-	-	-	-	-
Disposals / Adjustments during the year	-	-	-	(25.79)	-	(1.75)	-	(50.40)	-	(77.94)	-	-	-	-	(77.94)
Foreign currency translations	-	(1.70)	(7.27)	0.58	0.14	3.56	-	3.20	(3.23)	(4.72)	-	-	(9.41)	(9.41)	(14.13)
At 31 March 2019	404.14	211.50	2,631.92	2,842.07	162.02	407.85	50.82	370.84	252.40	7,333.56	138.28	250.00	392.06	780.34	8,113.90
Depreciation / Amortisation															
At 1 April 2018	-	14.81	1,126.33	1,154.08	140.43	287.03	-	186.09	219.12	3,127.89	107.72	-	93.51	201.23	3,329.12
Addition on account of opening balance on acquisition of step down joint venture	-	-	-	9.72	-	48.98	-	21.46	-	80.16	-	-	-	-	80.16
For the year	21.79	-	142.55	162.63	8.03	30.98	5.52	43.62	13.25	428.37	3.23	-	53.98	57.21	485.58
Reclassification during the year	-	-	-	-	-	(27.82)	27.82	-	-	-	-	-	-	-	-
Disposals / Adjustments during the year	-	-	-	(21.06)	-	(1.35)	-	(38.64)	-	(61.05)	-	-	-	-	(61.05)
Foreign currency translations	-	(0.35)	(3.26)	0.55	0.09	3.21	-	3.14	(2.91)	0.47	-	-	(2.82)	(2.82)	(2.35)
At 31 March 2019	21.79	14.46	1,265.62	1,305.92	148.55	341.03	33.34	215.67	229.46	3,575.84	110.95	-	144.67	255.62	3,831.46
Net block at 31 March 2019	382.35	197.04	1,366.30	1,536.15	13.47	66.82	17.48	155.17	22.94	3,757.72	27.33	250.00	247.39	524.72	4,282.44
Net block at 31 March 2018	95.12	173.85	1,512.86	1,264.81	10.63	99.29	-	186.28	33.01	3,375.85	6.59	250.00	307.96	564.55	3,940.40
Capital work-in-progress															
Opening balance															1,362.00
Add: Addition /reclassification during the year															81.07
Less: Asset capitalised during the year															-
Closing balance															1,443.07

	Tangible Assets										Intangible Assets			Total
	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total	Softwares	Goodwill	Other intangible assets of foreign step down subsidiary	Total	
Gross Block															
At 1 April 2017	95.12	178.63	3,733.84	2,345.32	119.31	370.01	-	267.41	224.48	7,334.12	113.80	250.00	277.08	640.88	7,975.00
Addition on account of opening balance on acquisition of subsidiary	-	-	-	71.83	23.18	5.16	-	-	1.47	101.64	-	-	-	-	101.64
Additions during the year	-	-	133.73	91.13	8.43	3.87	-	158.13	7.62	402.91	0.51	-	74.53	75.04	477.95
Reclassification during the year	-	-	(1,270.88)	(91.25)	0.13	-	-	-	-	(1,362.00)	-	-	-	-	(1,362.00)
Disposals / Adjustments during the year	-	-	-	-	-	-	-	(60.22)	-	(60.22)	-	-	-	-	(60.22)
Foreign currency translations	-	10.03	42.50	1.86	0.01	7.28	-	7.05	18.56	87.29		-	49.86	49.86	137.15
At 31 March 2018	95.12	188.66	2,639.19	2,418.89	151.06	386.32	-	372.37	252.13	6,503.74	114.31	250.00	401.47	765.78	7,269.52
Depreciation / Amortisation															
At 1 April 2017	-	12.77	948.27	929.20	106.91	235.03	-	188.05	185.92	2,606.15	97.08	-	32.98	130.06	2,736.21
Addition on account of opening balance on acquisition of subsidiary	-	-	-	38.49	21.57	4.69	-	-	0.90	65.65	-	-	-	-	65.65
For the year	-	-	160.45	184.75	11.95	41.92	-	45.80	16.45	461.32	10.64	-	51.45	62.09	523.41
Reclassification during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / Adjustments during the year	-	-	-	-	-	-	-	(52.44)	-	(52.44)	-	-	-	-	(52.44)
Foreign currency translations	-	2.04	17.61	1.64	-	5.39	-	4.68	15.85	47.21	-	-	9.08	9.08	56.29
At 31 March 2018	-	14.81	1,126.33	1,154.08	140.43	287.03	-	186.09	219.12	3,127.89	107.72	-	93.51	201.23	3,329.12
Net block at 31 March 2018	95.12	173.85	1,512.86	1,264.81	10.63	99.29	-	186.28	33.01	3,375.85	6.59	250.00	307.96	564.55	3,940.40
Net block at 31 March 2017	95.12	165.86	2,785.57	1,416.12	12.40	134.98	-	79.36	38.56	4,727.97	16.72	250.00	244.10	510.82	5,238.79
Capital work-in-progress															
Opening balance															95.08
Add: Addition /reclassification during the year															1,362.00
Less: Asset capitalised during the year															95.08
Closing balance															1,362.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
15	**Non-current investments**		
	Investments (At cost):		
	Trade investments: Unquoted		
	Investment in Technology Ventures Marine Spare Parts Ships Trading LLC, Abu Dhabi	**2.49**	-
	Investment in Technology Ventures Marine Equipment, Bangladesh	**21.06**	-
	Investment in other companies	**310.37**	320.22
	Trade investments: quoted		
	Equity shares of Saraswat Co-op Bank Limited	**0.10**	0.10
		334.02	**320.32**
	Aggregate amount of unquoted investments	**334.02**	320.32
16	**Long-term loans and advances** *(unsecured, considered good)*		
	To related parties (refer note 30.5)		
	Security deposits	**260.00**	260.00
	To others		
	Security deposits	**43.03**	33.38
	Loans to others	**34.11**	62.80
	Prepaid expenses	**45.70**	19.80
		382.84	375.98
17	**Other non-current assets**		
	Margin money deposits due to mature after 12 months of the reporting date	**24.29**	877.98
		24.29	877.98
18	**Inventories** *(At cost or net realisable value whichever is lower)*		
	Raw materials	**3,000.57**	2,672.44
	Work-in-progress	**2,517.07**	1,984.76
	Finished goods	**63.67**	101.12
	Stores, spares and consumables	**6.72**	-
		5,588.03	4,758.32
19	**Trade receivables**		
	(unsecured)		
	Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
	- Considered good	**9,891.63**	2,051.08
	- Considered doubtful	**58.85**	-
		9,950.48	2,051.08
	Less: Provision for doubtful receivables	**58.85**	-
		9,891.63	2,051.08
	Other receivables		
	- Considered good	**9,126.86**	16,357.49
		19,018.49	18,408.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
20	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	**13.28**	8.76
	Bank balances		
	- current accounts	**394.76**	1,410.12
	- EEFC accounts	**67.05**	36.76
	- cash credit accounts {refer note 10(a)}	**67.99**	-
	Other bank balances		
	- Margin money deposits due to mature within 12 months of the reporting date	**1,135.83**	965.83
	- Bank deposits with more than 3 months but less than 12 months maturity of the reporting date	-	2.58
		1,678.91	2,424.05

Particulars	31 March 2019	31 March 2018
Bank deposits with more than 3 months but less than 12 months maturity of the reporting date	**-**	2.58
Margin money due to mature within 12 months of the reporting date included under 'Other bank balances'	**1,135.83**	965.83
Margin money due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 17)	**24.29**	877.98

21	**Short-term loans and advances**		
	(Unsecured, considered good)		
	To related parties (refer note 30.5)		
	Advance to suppliers	**340.00**	19.97
	Security deposits	**7.20**	7.20
	To others		
	Advance to suppliers	**1,855.37**	1,201.48
	Capital advances	**7.25**	248.73
	Security deposits	**98.90**	81.22
	Loans and advances to staff	**155.43**	106.57
	Balance with government authorities	**27.64**	19.15
	Advance tax and tax deducted at source (net of provision)	**130.61**	10.69
	Prepaid expenses	**236.73**	281.49
	Other loans and advances	**1,652.96**	803.21
		4,512.09	2,779.71

22	**Other current assets**		
	(Unsecured, considered good)		
	Interest accrued on deposits	**32.26**	65.28
	Other receivable	**19.43**	43.63
		51.69	108.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

23 Revenue from operations	31 March 2019	31 March 2018
Sale of products		
Finished goods:		
- Electricals and electronics	**23,295.99**	25,925.58
- Solar	**8,684.89**	7,077.44
	31,980.88	33,003.02
Traded goods:		
- Electricals and electronics	**1,272.31**	1,246.52
- Solar	**-**	-
	1,272.31	1,246.52
Sale of services		
- Electricals and electronics	**2,395.24**	2,345.69
- Solar	**4,311.30**	284.76
	6,706.54	2,630.45
Other operating revenues		
- Duty drawback	**24.40**	0.50
	39,984.13	36,880.49

24 Other income		
Interest income	**95.91**	78.02
Rental income	**130.53**	82.74
Sundry balances written back	**77.99**	5.40
Discount received	**-**	28.25
Profit on sale of property, plant and equipments	**2.41**	0.09
Miscellaneous income	**89.50**	103.39
	396.34	297.89

25 Cost of materials consumed		
Inventory of materials at the beginning of the year	**2,672.44**	2,464.99
Add: Addition on account of opening balance on acquisition of step down joint venture / subsidiary	**482.96**	82.52
Add: Purchases	**32,555.59**	29,734.72
	35,710.99	32,282.23
Less: Inventory of materials at the end of the year	**3,000.57**	2,672.44
	32,710.42	29,609.79
Breakup of cost of material consumed		
- Electricals and electronics	**19,485.27**	22,324.63
- Solar	**13,225.15**	7,285.16
	32,710.42	29,609.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		31 March 2019	31 March 2018
26	**Changes in inventories of finished goods and work-in-progress**		
	Inventories at the end of the year		
	Work-in-progress	**2,517.07**	1,984.76
	Finished goods	**63.67**	101.12
		2,580.74	2,085.88
	Inventories at the beginning of the year		
	Work-in-progress	**1,984.76**	1,074.03
	Finished goods	**101.12**	49.07
		2,085.88	1,123.10
		(494.86)	(962.78)
27	**Employee benefits expense**		
	Salary, allowances, wages, bonus and other benefits	**2,541.40**	2,317.83
	Contribution to provident and other fund (Refer note 30.4)	**122.75**	104.20
	Gratuity (Refer note 30.4)	**52.50**	140.73
	Compensated absences (Refer note 30.4)	**22.37**	40.59
	Staff welfare expenses	**144.09**	192.17
		2,883.11	2,795.52
28	**Finance costs**		
	Interest expense	**516.59**	409.96
	Interest on delayed payments of taxes	**27.74**	36.20
	Bank charges	**274.32**	206.01
	Other financial charges	**22.40**	-
		841.05	652.17
29	**Other expenses**		
	Rent	**369.74**	331.01
	Power and fuel	**103.36**	91.35
	Repairs and maintenance		
	- plant and machinery	**43.93**	95.02
	- buildings	**6.94**	19.62
	- others	**2.16**	6.17
	Vehicle running expenses	**33.85**	29.99
	Rates and taxes	**68.05**	31.21
	Insurance	**48.02**	23.52
	Liquidated damages	**84.26**	30.81
	Inspection charges	**99.44**	84.72
	Technical know-how expense	**60.00**	-
	Clearing and forwarding expense	**269.46**	222.60
	Travelling and conveyance	**92.63**	95.80
	Postage and telephone	**46.49**	48.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
Legal and professional fees	**556.48**	560.77
Management fees	**142.05**	132.74
Payment to auditors	**11.74**	9.38
Expenses on corporate social responsibility (refer note 30.2)	**8.50**	7.70
Director sitting fees	**1.80**	-
Foreign exchange loss (net)	**17.47**	23.36
Housekeeping and security charges	**36.20**	41.67
Printing and stationery	**26.91**	25.79
Sales promotion and advertisement expenses	**117.77**	198.70
Provision for doubtful receivables	**50.21**	-
Bad debts written off	**111.89**	61.78
Advances and sundry balances written off	**50.51**	-
Miscellaneous expenses	**202.95**	116.46
Loss on sale of property, plant and equipment	**6.14**	4.48
Total	**2,668.95**	2,293.52

30 Notes to the accounts

30.1 Cont*ingent liabilities and commitments (to the extent not provided for)*

a. Contingent liabilities:

Particulars	**31 March 2019**	31 March 2018
a. Guarantees given by bankers (i) Bank guarantee against advance and liquidated damages given to customers (net of liabilities accounted for) reduced by an amount of Rs 794.09 lakhs (Previous year: Rs 1,305.66 lakhs) towards the counter bank guarantee received from sub-contractors	**2,279.18**	1,957.29
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs 1,180.45 lakhs (Previous year: Rs Nil) towards the counter bank guarantee received from sub-contractors	**5,137.41**	4,200.39
b. Letter of credit opened in favour of suppliers	**147.04**	3,530.36
c. Bills discounted with bank	**261.15**	-
d. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Rs 6.26 lakhs (previous year: Rs Nil lakhs)] {refer note (i)}	**237.9**	16.09

Note:

I) The various disputed tax litigations are as under:

Particulars	**Period to which relates**	**31 March 2019**	31 March 2018
a. Income Tax Disallowances / additions made by the income tax department pending before various appellate authorities	AY 13-14 to AY 16-17 (Previous year: AY 13-14 to AY 15-16)	**174.75**	16.09
b. Sales Tax / VAT Demands raised by Sales tax / VAT department pending before various appellate authorities	FY 15-16	**62.94**	-
		237.69	16.09

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Note:

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.

b. Commitments:

Particulars	31 March 2019	31 March 2018
a. Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	**65.25**	-

30.2 Corporate social responsibility – As applicable to the Company

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. 8.50 lakhs (Previous year: Rs. 7.70 lakhs) towards this cause and charged the same to the consolidated statement of profit and loss.

30.3 Earnings per share (EPS)

	Particulars	31 March 2019	31 March 2018
a)	**Profit after tax attributable to equity shareholders – Rs in lakhs**	**921.60**	1,576.14
b)	**Basic and diluted earnings per share**		
	Weighted average number of equity shares during the year	**21,115,976**	17,608,802
	Basic and diluted earnings per share (in rupees) (a/b)	**4.36**	8.95
	Face value of shares (in rupees)	**10**	10

30.4 Employee benefits - As applicable to the Company

Defined contribution plan

Contribution to Provident funds

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance scheme and labour welfare scheme, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund and other fund for the year aggregated to Rs.105.12 lakhs (Previous year Rs. 86.77 lakhs)

Defined benefit plan

Gratuity

The Company operates an unfunded post-employment defined benefit plan that provides for gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive gratuity at 15 days salary (salary last drawn) for each completed years of service at the time of retirement / exit. The plan is unfunded.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method as required by Accounting Standard (AS) 15 (Revised) prescribed in the Companies (Accounts) Rules, 2014 issued by the Central Government.

The following table summarizes the position of obligation relating to gratuity plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(i) Changes in present value of the defined benefit obligation

Particulars	31 March 2019	31 March 2018
Obligation as at beginning of the year	**125.60**	65.29
Current service cost	**30.49**	23.86
Interest cost	**9.67**	4.70
Benefits paid	**(17.50)**	(12.97)
Past service cost	**27.55^**	44.72
Actuarial (gain) / loss on obligation	**(18.31)**	- #
Obligation as at the end of the year	**157.50**	125.60

First actuarial valuation was done as on 31.03.2018

^ The gratuity obligation for 27 employees with a joining date prior to 31 March 2018 was omitted from the previous year's valuation. This includes the gratuity obligation for 2 directors of Rs 19.25 lakhs. The value of this obligation is reflected as 'Past Service Cost'

ii) Fair value of plan assets

The gratuity scheme of the Company is not funded and therefore disclosures relating to fair value of the plan assets are not applicable.

iii) Amount recognised in the balance sheet

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation	**157.50**	125.60
Fair value of plan assets	**-**	-
Liability recognised in the Balance Sheet	**157.50**	125.60

iv) Expenses recognised in the Statement of Profit and Loss

Particulars	31 March 2019	31 March 2018
Current service cost	**30.49**	23.86
Interest cost	**9.67**	4.70
Past service cost	**27.55**	44.72
Net actuarial (gain) / loss for the year	**(18.31)**	-
Net benefit expenses	**49.40**	73.28

v) Balance sheet reconciliation

Particulars	31 March 2019	31 March 2018
Net liability as at the beginning of the year	**125.60**	65.29
Expenses as above	**49.40**	73.28
Contribution from the employer	**-**	-
Benefit paid directly by the employer	**(17.50)**	(12.97)
Amount recognized in the balance sheet (Net liability)	**157.50**	125.60

vi) Actuarial assumptions

Particulars	31 March 2019	31 March 2018
Discount rate	**7.60% p.a.**	7.70% p.a.
Salary growth rate	**8.00% p.a.**	8.00% p.a.
Withdrawl / Attrition rate	**2.00% p.a.**	2.00% p.a.
Expected weighted average remaining working lives	**13 years**	13 years
Mortality Table	**IALM 2012-2014 (Ult.)**	IALM 2006-2008 (Ult.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

vii) Experience adjustment

Particulars	31 March 2019	31 March 2018
Defined benefit obligation	**157.50**	125.60
Fair value of plan assets	**-**	-
(Surplus) / Deficit	**157.50**	125.60
Exp. Adj. on plan liabilities: (gain) / loss	**(19.94)**	- *
Exp. Adj. on plan assets: gain / (loss)	**NA**	NA

** Being the first actuarial valuation*

a) Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended).

b) The discount rate is based on the prevailing market yields on Indian Government securities as at the balance sheet date for the projected term of the obligations.

c) The estimates of future salary growth considered in the actuarial valuation take into account an employee's seniority, promotion and other factors as well as inflation.

d) Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to mortality.

Other long-term employee benefit – *As applicable to the Company*

The obligation of compensated absences (non-funded) for the year 31 March 2019 amounting to Rs. 9.61 lakhs (Previous year Rs. 40.59 lakhs) has been recognized in the consolidated statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

30.5 Related party disclosures

A) Name of related parties

(i) Ultimate Holding Company

KDU Enterprises Private Limited

(ii) Other related parties

(a) Partnership firms in which directors are partners

DKM Precision Engineers

Philins Industrial Corporation

WIN Marine Consultancy Services

(b) Enterprises in which directors have significant influence

KDU Marine Equipment Trading and Maintenance LLC

KDU Worldwide Middle East Marine Services LLC

KDU Worldwide Technical Services FZC

KDU Worldwide Technical Services Ghana Private Limited

KDU Worldwide Technical Services Private Limited, Srilanka

KDU Worldwide Technical Services Nigeria Private Limited

Mcgeoch Marine Electricals Private Limited

Switch N Control Gears Private Limited

Voks Ship Management Private Limited

WIN Marine Engineering Services

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(c) Key managerial personnel and relatives

Mr. Vinay Uchil, Chairman and Executive Director

Mr. Venkatesh Uchil, Managing Director

Mr. Rohit Shetty, Chief Financial Officer w.e.f. 03 August 2018

Mr. Sudhir Gupta, Company Secretary w.e.f. 01 August 2018 upto 16 November 2018

Ms. Vedshri Chaudhari, Company Secretary w.e.f. 07 December 2018

Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil

B) Related party transactions during the year

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Rent paid		
KDU Enterprises Private Limited	**212.40**	211.05
Philins Industrial Corporation	**28.32**	23.64
Ms. Rashmi Uchil	**7.20**	7.20
b) Rent received		
DKM Precision Engineers	**44.25**	-
c) Interest expense		
KDU Enterprises Private Limited	**1.38**	-
d) Consultancy fees		
Ms. Rashmi Uchil	**7.20**	7.20
e) Purchases		
DKM Precision Engineers	**-**	11.07
KDU Enterprises Private Limited	**241.77**	63.04
KDU Marine Equipment Trading and Maintenance LLC	**22.65**	8.67
KDU Worldwide Technical Services FZC	**14.40**	12.34
Mcgeoch Marine Electricals Private Limited	**44.74**	1.26
Philins Industrial Corporation	**11.08**	7.75
Switch N Control Gears Private Limited	**171.86**	87.56
f) Sales		
Mcgeoch Marine Electricals Private Limited	**0.38**	2.47
KDU Enterprises Private Limited	**14.34**	-
KDU Marine Equipment Trading and Maintenance LLC	**128.27**	126.82
KDU Worldwide Technical Services FZC	**-**	6.21
KDU Worldwide Technical Services Ghana Private Limited	**-**	0.58
g) Loan taken		
KDU Enterprises Private Limited	**-**	38.00
h) Loan repaid		
KDU Enterprises Private Limited	**38.00**	-
i) Advance paid to suppliers and received back		
KDU Enterprises Private Limited	**145.00**	-
Mcgeoch Marine Electricals Private Limited	**176.00**	-
Philins Industrial Corporation	**45.00**	-
Switch N Control Gears Private Limited	**195.11**	-
j) Advance received from customers and repaid back		
KDU Enterprises Private Limited	**157.00**	-
k) Managerial remuneration		
Mr. Venkatesh Uchil	**48.00**	48.00
Mr. Vinay Uchil	**48.00**	48.00
Mr. Rohit Shetty	**16.00**	-
Mr. Sudhir Gupta	**0.70**	-
Ms. Vedshri Chaudhari	**1.00**	-

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Note:

Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable

C) Outstanding balances as at year end

Particulars	31 March 2019	31 March 2018
a) Loan payable		
KDU Enterprises Private Limited	-	38.00
b) Trade receivables		
DKM Precision Engineers	**35.45**	-
KDU Enterprises Private Limited	**14.34**	-
KDU Marine Equipment Trading and Maintenance LLC	**170.41**	137.81
KDU Worldwide Technical Services FZC	**4.07**	23.64
KDU Worldwide Technical Services Ghana Private Limited	**47.76**	44.19
WIN Marine Engineering Services	**17.96**	16.84
c) Advance to suppliers		
DKM Precision Engineers	**300.00**	-
Mcgeoch Marine Electricals Private Limited	**14.00**	-
Philins Industrial Corporation	**26.00**	-
Switch N Control Gears Private Limited	-	19.97
d) Trade payables		
KDU Enterprises Private Limited	-	98.20
KDU Marine Equipment Trading and Maintenance LLC	**2.63**	8.76
KDU Worldwide Technical Services FZC	**14.21**	52.89
Philins Industrial Corporation	-	19.17
e) Security deposits receivables		
KDU Enterprises Private Limited	**240.00**	240.00
Philins Industrial Corporation	**20.00**	20.00
Ms. Rashmi Uchil	**7.20**	7.20

30.6 Segment reporting

The Group has identified business segment as its primary reporting segment and geographical segment as its secondary segment.

(I) Primary segment information

Based on the nature of products and services, the risk and return profile of individual business and the internal business reporting systems, the Group has identified its primary reportable business segments comprising of:

a. Electricals and Electronics

b. Solar

Particulars	31 March 2019	31 March 2018
A. Revenue		
Segment revenue		
(a) Electricals and Electronics	**26,987.94**	29,518.29
(b) Solar	**12,996.19**	7,362.20
(c) Intersegment sale	-	-
Total	**39,984.13**	36,880.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
B. Results		
Segment results		
(a) Electricals and Electronics	**2,330.43**	2,637.32
(b) Solar	**(577.52)**	17.48
Total	**1,752.91**	2,654.80
Less: Finance costs	**841.05**	652.17
Add: Other unallocable income net of unallocable expenses	**374.36**	264.12
Profit before tax	**1,286.22**	2,266.75
Tax expense	**370.98**	640.65
Profit after tax	**915.24**	1,626.10
C. Other information		
Segment assets		
(a) Electricals and Electronics	**30,062.43**	26,503.03
(b) Solar	**7,253.44**	8,853.21
Segment liabilities		
(a) Electricals and Electronics	**15,400.50**	15,566.05
(b) Solar	**4,248.32**	8,886.94
Capital employed (Segment asset – Segment liabilities)		
(a) Electricals and Electronics	**14,661.93**	10,936.98
(b) Solar	**3,005.12**	(33.73)
Depreciation and amortisation		
(a) Electricals and Electronics	**411.44**	522.71
(b) Solar	**74.14**	0.70
Capital expenditure		
(a) Electricals and Electronics	**386.32**	475.93
(b) Solar	**460.63**	2.02

(ii) Secondary segment information

Geographical segment will be the secondary segment for the purpose of AS-17 (Segment reporting). All the assets of the Group are classified as assets in India and assets in abroad for the purpose of segmental information of secondary geographical segment.

Particulars	2019			2018		
	India	**Abroad**	**Total**	India	Abroad	Total
Revenue	**33,914.58**	**6,069.55**	**39,984.13**	29,899.74	6,980.75	36,880.49
Carrying amount of assets	**28,187.38**	**9,128.49**	**37,315.87**	28,318.32	7,037.92	35,356.24
Capital expenditure (including intangible assets and capital work in progress)	**915.71**	**12.31**	**928.02**	1,746.05	93.90	1,839.95

30.7 Lease

a) The Group has taken various residential/commercial premises under operating leases arrangements. These lease arrangements are normally renewed on expiry, wherever required. During the year, an amount of Rs. 369.74 lakhs (Previous year: Rs 331.01 lakhs) was recognised as an expense in the consolidated statement of profit and loss in respect of operating leases.

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

b) STI S.R.L., a step down subsidiary, has a finance lease contract acquired following its takeover due to the merger with Appignano Energy Srl concerning the photovoltaic plants built in the municipality of Appignano (AP); on 22.05.2013 with the MPS leasing expiring on 22.05.2028 for a value of € 566,968 for a total of 180 monthly installments of € 3,725.84.

30.8 Unhedged foreign currency exposure

Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	Foreign currency	Amount in Foreign currency	Amount equivalent in Rs. Lakhs	Amount in Foreign currency	Amount equivalent in Rs Lakhs
		2019	**2019**	2018	2018
Foreign currency receivables					
- representing advances	USD	**845,405**	**500.89**	800,000	515.22
	EURO	**19,223**	**14.84**	-	
					-
- representing trade receivables	USD	**5,72,032**	**391.44**	672,780	430.94
	EURO	**68,980**	**52.63**	39,900	32.46
Foreign currency payable					
- representing trade payable	AED	**4,750**	**0.92**	2,423	0.44
	USD	**1,730,164**	**1,209.90**	401,983	264.06
	EURO	**200,800**	**158.67**	2,25,099	184.33
	NOK	**91,785**	**7.48**	-	-
	GBP	**-**	**-**	11,115	10.38
- Foreign Currency Non-Resident	USD	**15,945**	**11.15**	280,905	184.39
(Bank) "FCNR(B) " Loan					
Foreign currency notes	EURO	**364**	**0.29**	-	-
	USD	**581**	**0.41**	-	-

30.9 In the consolidated financial statements, the amounts of Eltech Engineers Madras Private Limited, MEL Power Systems FZC and Narhari Engineering Works have been incorporated based on their audited separate financial statements / financial information for the financial year ended 31 March 2019, the amounts of Automatic Electronic Controls Manufacturing Co. have been incorporated based on its unaudited separate financial statements / financial information for the financial year ended 31 March 2019 and the amounts of STI S.R.L. and Technology Ventures Middle East (FZC) have been incorporated based on their audited separate financial statements for the calendar year ended on 31 December 2018. There are no significant events or transactions that have occurred between 1 January 2019 till 31 March 2019 which require any adjustments in consolidated financial statements.

30.10 In case of subsidiaries and joint ventures incorporated outside India, accounting policy with regards to depreciation on property, plant and equipment (tangible assets) and amortisation of intangible assets is different as compared to the written down value method adopted by the Company and other subsidiary incorporated in India. The consequential financial impact of adjustments on account of depreciation that would be required to be made in the consolidated financial statements to ensure conformity with the Group's accounting policy for depreciation is currently not ascertainable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

30.11 Additional information to be given as required under Schedule III to the Companies Act 2013, of the subsidiaries and joint ventures consolidated is as follows:

Name of the entities	**Net Assets i.e. total assets minus total liabilities**		**Share in profit / (loss)**	
For the year ended	**As % of consolidated net assets**	**Amount**	**As % of consolidated profit or loss**	**Amount**
	31 March 2019		**31 March 2019**	
Parent				
Marine Electricals India Limited	**77.29%**	**12,413.08**	**84.39%**	**777.72**
Subsidiaries and joint ventures				
Eltech Engineers Madras Pvt. Ltd.	**(1.62%)**	**(260.35)**	**(11.42%)**	**(105.25)**
MEL Power Systems FZC	**14.52%**	**2,331.94**	**13.89%**	**128.03**
STI S.R.L.	**8.33%**	**1,338.02**	**1.09%**	**10.05**
Technology Ventures Middle East (FZC)	**5.67%**	**910.51**	**12.03%**	**110.83**
Narhari Engineering Works	**8.38%**	**1,345.20**	**4.96%**	**45.74**
Automatic Electronic India Controls Manufacturing Co.	**0.03%**	**4.96**	**0.00%**	**(0.02)**
Minority Interest	**3.80%**	**609.45**	**0.69%**	**6.36**
Less: Adjustments	**(16.40%)**	**(2,633.32)**	**(5.63%)**	**(51.86)**
Total	**100.00%**	**16,059.49**	**100.00%**	**921.60**

Name of the entities	**Net Assets i.e. total assets minus total liabilities**		**Share in profit / (loss)**	
For the year ended	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	31 March 2018		31 March 2018	
Parent				
Marine Electricals India Limited	73.87%	7,547.50	74.38%	1,172.41
Subsidiaries and joint ventures				
Eltech Engineers Madras Pvt. Ltd.	(1.52%)	(155.10)	0.81%	12.74
MEL Power Systems FZC	20.19%	2,063.29	27.14%	427.69
STI S.R.L	13.31%	1,359.96	0.44%	6.90
Technology Ventures Middle East (FZC)	-	-	-	-
Narhari Engineering Works	8.21%	838.46	0.36%	5.64
Automatic Electronic India Controls Manufacturing Co.	0.13%	13.08	(0.02%)	(0.25)
Minority Interest	6.49%	662.76	(3.17%)	(49.96)
Less: Adjustments	(20.68%)	(2,112.76)	0.06%	0.97
Total	100.00%	10,217.19	100.00%	1,576.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

30.6 Previous years figures

a) The Company has availed the exemption provided in the second proviso of Rule 6 of Companies (Accounts) Rules, 2014 for preparing the consolidated financial statements for the financial year ended 31 March 2018. Accordingly, the comparative amounts for the previous year ended 31 March 2018 are unaudited.

b) Previous year's revenue and costs of the Company are stated at gross i.e. including taxes in applicable cases and to that extent these are not comparable with that of current year figures.

c) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / presentation.

As per our report of the even date attached.

For **S G J & CO**
Chartered Accountants
Firm's Registration No: 137904W

Som Nath Saini
Partner
Membership No: 093079

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Rohit Shetty
Chief Financial Officer

Vedshri Chaudhari
Company Secretary and Compliance Officer

ATTENDANCE SLIP

MARINE ELECTRICALS (INDIA) LIMITED
CIN: U31907MH2007PLC176443
REGISTERD OFFICE ADDRESS: B/1, UDYOG SADAN NO.3, MIDC, ANDHERI (E), MUMBAI - 400093
Tel No: 02240334300; **Email ID:** cs@marineelectricals.com;
Website: www.marineelectricals.com

12th ANNUAL GENERAL MEETING

ATTENDANCE SLIP

I / We, hereby record my / our presence at the 12TH ANNUAL GENERAL MEETING of the Company held on Monday, 16th September, 2019 at 11.30 a.m.at B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

Name and Address of the Shareholder:

No of Shares held:

Members Folio No. / DP ID & Client ID	Member's / Proxy's name in Block Letter	Member's / Proxy's Signature

Notes:
1. Shareholders wishing to attend the meeting must bring the attendance slip, duly signed, to the meeting and hand it over at the entrance.

Electronic Voting Particulars

EVEN (E-voting Event Number)	USER ID	PASSWORD

Note: Please read the instructions given in the Notice of the Annual General Meeting carefully before voting electronically.

PROXY FORM

MARINE ELECTRICALS (INDIA) LIMITED
CIN: U31907MH2007PLC176443
REGISTERD OFFICE ADDRESS: B/1, UDYOG SADAN NO.3, MIDC, ANDHERI (E), MUMBAI - 400093
Tel No: 02240334300; **Email ID:** cs@marineelectricals.com;
Website: www.marineelectricals.com

PROXY FORM

(Form No MGT - 11)
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s): _____

Registered Address: _____

_____

E-mail ID: _____ DP ID: _____ Folio No / Client ID _____

I / We being the Member(s) of _____ Equity Shares of Marine Electricals (India) Limited, hereby appoint

1. Name_____

Address: _____

Having Email Id _____ or failing him

2. Name_____

Address: _____

Having Email Id _____ or failing him

3. Name_____

Address: _____

Having Email Id _____or failing him

As my / our proxy to attend and vote (on poll) for me / us and on my / our behalf at the **12th Annual General Meeting** of the Company to be held on Monday, 16th September, 2019 at 11.30 a.m. at B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Subject Matter of Resolution	Vote		
		For	Against	Abstain
1	Adoption of Audited Financial Statements (including the Consolidated Financial Statement) for the year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.			
2	To appoint a director in place of Mrs. Tanuja Pudhierkar (DIN: 08190742), who retires by rotation and being eligible offers herself for re-appointment.			

ATTENDANCE SLIP

3	Regularisation Of Mr. Shailendra Shukla (DIN: 08049885) As Non-Executive and Non-Independent Director of the Company.			
4	Approval of Loan, Investments, Guarantee or Security under Section 185 of the Companies Act, 2013			

Signed this _____ day _____ of _____ 2019

Affix Revenue Stamp

Signature of shareholder across Revenue Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder











Marine Electricals (India) Limited

Formerly known as Marine Electricals (India) Private Limited

CIN : U31907MH2007PLC176443
B/1, Udyog Sadan No. 3, MIDC,
Andheri (E), Mumbai - 400 093.
Email ID : cs@marinelectricals.com
Website : www.marineelectricals.com
Tel. No. : 91-22-4033 4300

