

**INDEPENDENT AUDITOR'S REPORT**

To  
The members of  
EMT MEGATHERM PVT LTD

**Report on the Standalone Financial Statements**

**Opinion,**

We have audited the accompanying financial statements of EMT MEGATHERM PVT LTD (the company) which comprise the Balance Sheet as at 31st March , 2021 and the statement of Profit and loss and cash flow statement for the year then ended and notes to the financial statements including the summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2021, its profit and cash flows for the year ended on that date.

**Basis for opinion**

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

**Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were address in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no reportable key Audit Matter for the year under audit.

**Management's responsibility for the financial statements**

The company's board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate





accounting policies; making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls that were operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or cease operation or has no realistic alternative but to do so. The board of directors is also responsible for overseeing the company's financial reporting process

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance 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 user taken on the basis of these financial statements.

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

- 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 procedure that are appropriate in the circumstances, Under Section 143(3)(i) of the companies Act,2013, We are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operational 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 their 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 reports to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation structures and content of the financial statements including the disclosures and whether the financial statements represent underlying transaction and events in a manner that achieves fair presentation.





We communicate with those charge with governance regarding amount other matters the planned scope and timing the audit and significant audit findings including any significant deficiency in internal control that will identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable , related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe this matter in our auditor reports 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.**

The provisions of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section(11) of section 143 of the Companies Act, 2013 we give in the Annexure –"A" statement on the matter specified in paragraph 3 of the order.

#### **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 accounts as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls and financial reporting of the company and the operating effectiveness of such control refer to our separate report in **Annexure-B**
- g) In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:
- i) The Company does not have any pending litigations which would impact its financial position:
- ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and to the financial statements;
- iii) There has been no delay in transferring amounts, required to be transferred amounts required to be transferred to the Investor education and Protection fund by the Company

For Sanjay Khandelwal & Co  
Chartered Accountants  
(Firm Registration No. 323311E)

*Sanjoy Khandelwal*

(Sanjay Khandelwal)  
Proprietor  
Membership No. 054451



Place : Kolkata.  
Dated : 22<sup>nd</sup> September, 2021

udin: 21054451AAAAN23445



**Annexure- A to the Auditor's Report**

The Annexure referred to in our independent Auditor's Report to the members of the company on the financial statements for the year ended 31.03.2021, we report that:

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals and no discrepancies were noticed on such verification.
- c) As explained, no discrepancies were noticed on such verification.
- ii) As explained to us, inventories were physically verified by the management at reasonable intervals and no material discrepancy was noticed on such verification. The inventory has been valued at cost or net realizable value whichever is lower.
- iii) There are firms covered in the register to be maintained under section 189 of the Companies Act, 2013. However, the company have not granted loan to such company.
- iv) In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and investments made, and guarantees and security provided by it.
- v) The company has not accepted any deposits from public within the meaning of sections 73,74,75, and 76 of the Act and the rules framed thereunder to the extent notified.
- vi) To the best of our knowledge, the central, government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the products of the company.
- vii) a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues and other material statutory dues, as applicable, with the appropriate authorities.
- b) In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods & service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to appropriate authorities.
- c) Dues of income tax or sales Tax or wealth Tax or service Tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where disputes is pending shall be mentioned. (A mere representation to the concerned department shall not constitute a dispute). The details are provided hereunder:-



Particulars	Year	Amount (in Lacs)
West Bengal Sales Tax	2008-09	13.44
West Bengal Sales Tax	2009-10	82.92
Central Sales Tax	2009-10	42.19
West Bengal Sales Tax	2010-11	6.9
Central Sales Tax	2010-11	7.38
West Bengal Sales Tax	2011-12	2.99
Central Sales Tax	2011-12	897.00
Central Sales Tax	2013-14	28.02
Central Sales Tax	2015-16	73.98
Central Sales Tax	2016-17	23.96
West Bengal Vat Act.	2017-18 (till June'17)	14.66
Central Sales Tax	2017-18 (till June'17)	2.21

Particulars	Year	Amount
Entry Tax	2014-15	89.8
Entry Tax	2015-16	81.11
Entry Tax	2016-17	83.37
Entry Tax	2017-18 (till June'17)	19.42



Assessment Year	Amount	Forum
2009-10	1,60,395	Interest demand
2010-11*	3,65,09,022	CIT(A)
2016-17	4,30,620	AO
2018-19	12,48,010	CIT(A)
2019-20	8,56,690	CIT(A)

(d) According to the records of the Company, there are no dues of Goods & Service Tax, which have not been deposited on account of any dispute.

(e) The Company is not required to transfer any amount to Investor Education and Provident Fund in accordance with the provisions of the Companies Act, 1956 and rules made thereunder.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

(ix) No term loans have been availed by the Company. Hence, the provisions of the clause 3(ix) of the order are not applicable to the Company.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice 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 cases by the Management.

(xi) The company has not paid/provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the ACT.

(xii) As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the company.

(xiii) The Company has not entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. So the provisions of clause 3(xiii) of the order are not applicable to the company.

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order is not applicable to the Company.





# CA Sanjay Khandelwal & Co. Chartered Accountants

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Green Park, Block A, Kolkata - 700 055  
Mobile : 62890 38316  
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xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable to the Company,

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

For Sanjay Khandelwal & Co

Chartered Accountants  
(Firm Registration No. 323311E)

*Sanjay Khandelwal*

(Sanjay Khandelwal)

Proprietor

Membership No. 054451



Place : Kolkata.  
Dated : 22<sup>nd</sup> September, 2021

Udhr : 2105451AAAA23445



**Annexure "B" referred in clause 2(f) to the independent Auditor's report on the standalone financial Statements of EMT Megatherm Private Limited for the year ended 31.03.2021**

We have audited the internal financial control over financial reporting of the company as of 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statement of the company for the year ended on that date.

**Management Responsibility for Internal Financial Controls**

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering essential components on internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India(ICAI).These responsibilities include the design ,implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets,the prevention and detection of frauds and errors, the accuracy and completeness of accounting records ,and 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 over financial reporting based on our audit. We conducted our audit in accordance with the guidance Note on Internal Financial Controls over financial reporting(The guidance Note) and the standards on Auditing ,issued by ICAI and deemed to be prescribed under section 143(10)of the companies Act,2013 to the extent applicable to an audit of internal financial controls .Those standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were effectively in all material respects.

Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's Internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that ,in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company.(2) Provide reasonable assurance that



the transactions are recorded as necessary to permit preparations of financial statements in accordance with generally accepted accounting principles, that receipts and expenditure of the company are being made only in accordance with authorizations of the management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have material effect on the financial statements.

**Inherent Limitations of Internal Financial controls over Financial Reporting**

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

**OPINION**

In our opinion, the company has, in all material respects, an adequate financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

Place : Kolkata.  
Dated : 22<sup>nd</sup> September, 2021



For Sanjay Khandelwal & Co  
Chartered Accountants  
(Firm Registration No. 323311E)

*Sanjay Khandelwal*

(Sanjay Khandelwal)  
Proprietor  
Membership No. 054451



	Note No.	31 March 2021	31 March 2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
(a) Share capital	3	590.71	590.71
(b) Reserves and surplus	4	(756.42)	770.09
		<u>165.71</u>	<u>1,360.80</u>
<b>2) Non-current liabilities</b>			
(a) Long-term borrowings	5	265.16	302.16
(b) Deferred tax liabilities (net)	6	113.71	113.71
(c) Long-term provisions	7	2.03	15.20
		<u>380.90</u>	<u>431.07</u>
<b>3) Current liabilities</b>			
(a) Short-term borrowings	8	920.00	2,898.55
(b) Trade payables	9		
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,752.18	1,668.73
(c) Other current liabilities	10	295.79	322.44
(d) Short-term provisions	7	3.45	3.45
		<u>2,971.42</u>	<u>4,893.17</u>
<b>TOTAL</b>		<u><u>3,186.61</u></u>	<u><u>6,685.04</u></u>
<b>II. ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible fixed assets	11	1,094.52	1,187.68
(ii) Intangible fixed assets	11	18.12	20.37
(iii) Capital work-in-progress	12	-	204.95
		<u>1,112.64</u>	<u>1,413.00</u>
(b) Long-term loans and advances	13	26.80	25.60
(c) Other non-current assets	14	43.94	95.42
		<u>1,183.38</u>	<u>1,534.02</u>
<b>2) Current assets</b>			
(a) Inventories	15	1,166.97	3,373.54
(b) Trade receivables	16	156.60	358.83
(c) Cash and bank balances	17	97.27	509.11
(d) Short-term loans and advances	18	577.88	895.39
(e) Other current assets	19	4.51	14.15
		<u>2,003.23</u>	<u>5,151.02</u>
<b>TOTAL</b>		<u><u>3,186.61</u></u>	<u><u>6,685.04</u></u>

Significant accounting policies

2

Notes to financial statements

1 to 38

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of  
**EMT Megatherm Private Limited**  
CIN: U29299WB1988SGC044800

For Sanjay Khandelwal & Co

Chartered Accountants

Firm's Registration Number. 323311E

*Sanjay Khandelwal*

(CA Sanjay Khandelwal)  
Proprietor  
Membership No. - 054451

Place: Kolkata  
Date : 22.09.2021



*Gurpreet Kaur*

Gurpreet Kaur  
Director  
DIN: 00963191

*Vikas Varshneya*

Vikas Varshneya  
Director  
DIN: 00963081



Udin: 21054451 A A A A N 23445

	Note No.	31 March 2021	31 March 2020
<b>I. Revenue from operations</b>			
Sale of products	20	1,315.31	6,541.18
Sale of Services		1.43	37.63
Other operating revenue		1,454.86	74.76
<b>Total revenue from operations</b>		<b>2,771.60</b>	<b>6,653.57</b>
<b>II. Other Income</b>	21	<b>226.38</b>	<b>68.12</b>
<b>III. Total revenue (I + II)</b>		<b>2,997.98</b>	<b>6,721.69</b>
<b>IV. Expenses</b>			
Cost of materials consumed	22	1,557.87	5,823.04
Changes in inventories of finished goods and work-in-progress	23	1,700.85	1,037.74
Employee benefits expense	24	106.32	212.02
Finance costs	25	290.17	402.35
Depreciation and amortisation expense	11	95.41	96.96
Other expenses	26	773.87	894.16
<b>Total expenses</b>		<b>4,524.49</b>	<b>8,466.27</b>
<b>V. Profit / (Loss) before tax &amp; exceptional items</b>		<b>(1,526.51)</b>	<b>(1,744.58)</b>
<b>VI. Exceptional Item</b>		-	-
<b>VII. Profit / (Loss) before tax</b>		<b>(1,526.51)</b>	<b>(1,744.58)</b>
<b>VIII. Tax expenses</b>			
Current tax		-	-
MAT credit (entitlement)/reversal		-	-
Deferred tax charge/(credit)		-	-
Net current tax		-	-
<b>IX. Profit / (Loss) for the year</b>		<b>(1,526.51)</b>	<b>(1,744.58)</b>
<b>X. Earnings/(Loss) per equity share</b> [nominal value of share Rs 1,000 each (previous year Rs 1,000)]	27		
Basic and Diluted		(2,584.20)	(2,953.36)

**Significant accounting policies**

2

**Notes to financial statements**

1 to 38

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

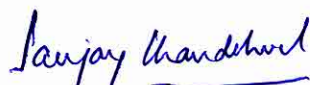
**For Sanjay Khandelwal & Co**

**EMT Megatherm Private Limited**

Chartered Accountants

CIN: U29299WB1988SGC044800

Firm's Registration Number. 323311E



(CA Sanjay Khandelwal)

Proprietor

Membership No. - 054451

Place: Kolkata

Date : 22.09.2021





**Gurpreet Kaur**

Director

DIN: 00963191



**Vikas Varshneya**

Director

DIN: 00963081



Udin: 21054451 AAAAN28445



	Year ended 31st March, 2021		Year ended 31st March, 2020	
<b>A. Cash Flow from Operating Activities</b>				
Profit Before Provision for Taxation		(1,526.51)		(1,744.58)
Adjustments for :				
Depreciation & Amortisation	95.41		96.96	
Interest Expenses	290.17		402.35	
Interest Income	(27.88)		(26.65)	
(Profit)/Loss on Foreign Exchange fluctuation	4.01		(16.38)	
Deferred Revenue Expenditure	43.94		43.94	
		405.65		500.22
<b>Operating Profit before Working Capital Changes</b>		(1,120.86)		(1,244.36)
Adjustments for :				
Decrease/ (increase) in trade receivables	198.22		747.70	
Decrease/ (increase) in short term & long term loans and advances	316.31		(291.24)	
Decrease/ (increase) in current assets & non current asset	17.17		(5.04)	
Increase/(decrease) in trade payables	83.45		291.50	
Decrease/ (increase) in inventories	2,206.57		1,820.37	
Increase/(decrease) in long & short term provisions	(13.17)		(79.09)	
Increase/(decrease) in long term current liabilities	-		-	
Increase/(decrease) in other current liabilities	(26.65)	2,781.90	(1,030.10)	1,454.10
<b>Cash Generated from Operations</b>		1,661.04		209.74
Direct Taxes Paid		-		-
<b>Net Cash from Operating Activities</b>		1,661.04		209.74
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	204.95		243.58	
Interest received	27.88		26.65	
<b>Net Cash used in Investing Activities</b>		232.83		270.23
<b>C. Cash Flow from Financing Activities</b>				
Repayment of Long Term Borrowings	(37.00)		(31.50)	
Increase/Decrease in Cash Credit facility & other borrowings	(1,978.55)		(98.22)	
Interest paid	(290.17)		(402.35)	
<b>Net Cash from Financing Activities</b>		(2,305.72)		(532.07)
		(411.85)		(52.10)
Opening Cash and Cash Equivalents		509.11		561.21
Closing Cash and Cash Equivalents		97.26		509.11
		<b>As at 31st March, 2021</b>		<b>As at 31st March, 2020</b>
<b>Cash and Cash Equivalents comprise:-</b>				
Cash in hand		0.26		0.49
<b>Bank Balances with Scheduled Banks :</b>				
Current Account		10.82		0.31
On deposit accounts		86.19		508.31
		<u>97.27</u>		<u>509.11</u>

The notes referred to above form an integral part of the financial statements  
As per our report of even date attached

**For Sanjay Khandelwal & Co**  
Chartered Accountants  
Firm's Registration Number. 323311E

*Sanjay Khandelwal*

(CA Sanjay Khandelwal)  
Proprietor

Membership No. - 054451

Place: Kolkata  
Date : 22.09.2021



*Gurpreet Kaur*

Gurpreet Kaur  
Managing Director

DIN: 00963191

**For and on behalf of the Board of Directors of**  
**EMT Megatherm Private Limited**  
CIN: U29299WB1988SGC044800

*Vikas Varshneya*

Vikas Varshneya  
Director

DIN: 00963081





**Notes to the Financial Statements**
**1 General Information**

EMT Megatherm Pvt. Ltd. is primarily engaged in the business of manufacturing and selling of Capital Equipments like Induction Melting and Heating Equipments, Arc Melting Furnace, Ladle Refining Furnace, Continuous Casting Machines, Transformers etc. and various parts thereof which are required by the Steel Making Industries, Foundry, Forging and Power sector. The company also carries on business of repairs and contractors for servicing and production, modification, reconstruction etc. of all types of Engineering goods, equipments, plant & machineries.

The Company has manufacturing plants in Kolkata and Howrah and sells primarily in Domestic Markets. The Company is a Private Limited Company and a Subsidiary to Megatherm Electronics Pvt. Ltd.

**2 Summary of Significant Accounting Policies**
**2.01 Basis of preparation**

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the Historical Cost Convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These Financial Statements have been prepared to comply all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products 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.

**2.02 Tangible Assets**

Tangible Assets are stated at their original cost of acquisition inclusive of all incidental expenses, erection & commissioning expenses and other costs etc. upto the date the asset is put to use.

In case of revalued assets, the net replacement cost as ascertained by the valuer has been considered in the accounts and the difference between the net replacement cost and the written down value as on 31.03.96 and as on 31.03.02 respectively had been transferred to Fixed Asset Revaluation Reserve Account.

Impairment loss is recognised wherever the carrying amount of assets of a cash generating unit exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

Depreciation on original cost of assets are provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 of India as amended to date. Depreciation on additions/adjustments/deletions to assets are calculated on pro-rata basis from the month on such additions/adjustments/deletions as the case may be. Additional Depreciation on the amount added on revaluation is provided on straight line basis and is adjusted against the available balance in revaluation reserve account in respect of the related items.

**2.03 Intangible Assets**

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Computer Software are amortised on a straight line basis over a period of two & half years from the date of capitalisation.

**2.04 Inventories**

Inventories are stated at cost. The cost is determined on specific identification / weighted average basis, as considered appropriate by the Company, and includes, where applicable, appropriate share of direct labour & production overheads.



Vishu Varshney  
Gurpreet Kaur





**Notes to the Financial Statements**
**2.05 Revenue Recognition**

Sales of Goods : Revenue is recognised when the substantial risks and rewards of ownership in the goods are transferred or despatched to the buyer as per the terms of the contract and the are stated at net of trade discounts, excise duties and sales taxes.

Sale of Services : Revenue is recognised on completion of service as per terms of contract and are stated at net of service tax.

**2.06 Other Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Income from Duty Drawback is recognised on an accrual basis.

**2.07 Employee Benefits**

Contribution towards provident fund to Government administered provident fund is recognised as expense. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Liability towards gratuity (defined benefit), covering eligible employees, in accordance with the Payment of Gratuity Act, 1972, is determined & provided on the basis of Actuarial Valuation and funded to a Trust administered by the Company.

Contribution to Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Actuarial gains/losses arising in Defined Benefit Plans are recognised immediately in the Profit and Loss Account as income/expense for the year in which they occur.

**2.08 Foreign Currency Transactions**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. Gains / losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss Account in the period in which they arise.

**2.09 Current and Deferred Tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have enacted or subsequently enacted by the Balance Sheet date.



Vishu Varshney

Gurpreet Kaur



	31 March 2021	31 March 2020
<b>Note 3 - Share capital</b>		
<b>Authorised</b>		
70,000 (previous year 70,000) equity shares of Rs 1,000 each	700.00	700.00
<b>Issued, subscribed and fully paid up</b>		
59,071 (previous year 59,071) equity shares of Rs 1,000 each	590.71	590.71

**a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
<b>Equity Shares</b>				
At the commencement of the year	59,071	590.71	59,071	590.71
Add: Issued during the year	-	-	-	-
At the end of the year	59,071	590.71	59,071	590.71

**b. Rights, preferences and restrictions attached to equity shares**

Equity Shares : The Company has one class of equity shares having a par value of Rs. 1000/- per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid up equity capital of the company. The right to transfer the shares are restricted to its members whose numbers are limited to fifty. No invitation shall be issued to the public to subscribe for any shares or in debentures of the company and prohibits any invitation to or acceptance of deposits from persons other than its members, directors or their relatives. Provided that where two or more persons hold one or more shares in the Company jointly, they shall for the purpose of this clause, be treated as a single member. Provided further that right to transfer of equity shares is subject to the restrictions embedded in Joint Venture Transformation Agreement dated 15th February, 2005, amended on 24th October, 2005 and also on 9th September, 2010 entered into between The Government of West Bengal and Megatherm Electronics Pvt. Ltd. and its affiliates.

**c. Shares held by holding/ultimate holdings company and/or their subsidiaries/associates**

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Equity shares of Rs 1,000 each fully paid up held by: Megatherm Electronics Pvt. Ltd., Holding Company	48,011	480.11	48,011	480.11

**d. Particulars of shareholders holding more than 5% shares of fully paid up equity shares**

	31 March 2021		31 March 2020	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of Rs 1,000 each fully paid up held by: Megatherm Electronics Pvt. Ltd., the Holding Company	48,011	81.28%	48,011	81.28%
Govt. of West Bengal	5,868	9.93%	5,868	9.93%

	31 March 2021	31 March 2020
<b>Note 4 - Reserves and surplus</b>		
<b>Capital reserve</b>		
At the commencement and at the end of the year	200.00	200.00
<b>Revaluation Reserve</b>		
At the commencement and at the end of the year	51.12	51.12
<b>General reserve</b>		
At the commencement and at the end of the year	27.89	27.89
<b>Surplus (Profit and loss balance)</b>		
At the commencement of the year	491.08	2,235.66
Profit/(Loss) for the year	(1,526.51)	(1,744.58)
At the end of the year	(1,035.43)	491.08
<b>Total Reserves and surplus</b>	(756.42)	770.09

*Vansh Khandelwal*  
*Gurpreet Kaur*







**Note 5 - Long-term borrowings**

	Non-current portion		Current maturities	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Rupee loans (Unsecured)</b>				
From others	265.16	302.16	-	-
Less: Transfer to Current Liabilities (Refer note:- 11)			-	-
	<u>265.16</u>	<u>302.16</u>	<u>-</u>	<u>-</u>

**Note 6 - Deferred tax liabilities (net)**

**Deferred tax liabilities**

Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts

140.61 140.61

**Deferred tax assets**

Other disallowances under Income-tax Act, 1961

(26.90) (26.90)

(26.90) (26.90)

**Deferred tax liability (net)**

113.71 113.71

**Note 7 - Provisions**

Provision for employee benefits:

Gratuity

2.03 15.20 3.45 3.45

2.03 15.20 3.45 3.45

**Note 8 - Short-term borrowings**

**Working capital loans**

Rupee loans from others

920.00 2,898.55

920.00 2,898.55

**Note 9 - Trade payables**

Sundry Creditors

1,752.18 1,668.73

1,752.18 1,668.73

**Note 10 - Other current liabilities**

Statutory dues

7.79 20.14

Advances received from customers

256.93 271.60

Other payables#

31.07 30.70

295.79 322.44

# Includes amount due towards Employee benefits expense and others



*Sanjay Khandlwal* *Gurpreet Kaur*

EMT Megatherm Private Limited  
Notes to financial statements for the year ended 31st March 2021

Rs in Lakhs

Note 11 - Tangible assets

	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Electrical Installation	Tools & Equipments	Furniture and fixtures	Vehicles	Office equipments	Total Tangible Assets	Software	Total Intangible Assets	Total Assets
Balance as at 31 March 2020	130.51	196.37	1,116.17	939.74	84.99	14.88	130.75	6.53	176.16	2,796.10	182.96	182.96	2,979.06
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Discard	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	130.51	196.37	1,116.17	939.74	84.99	14.88	130.75	6.53	176.16	2,796.10	182.96	182.96	2,979.06
<b>Depreciation</b>													
Balance as at 31 March 2020	-	81.94	473.71	671.81	74.31	13.04	123.53	1.50	168.58	1,608.42	162.59	162.59	1,771.01
Depreciation for the year	-	-	30.32	52.78	4.43	0.59	1.57	0.95	2.52	93.16	2.25	2.25	95.41
Accumulated depreciation on disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	81.94	504.03	724.59	78.74	13.63	125.10	2.45	171.10	1,701.58	164.84	164.84	1,866.42
<b>Net Block</b>													
Balance as at 31 March 2020	130.51	114.43	642.46	267.93	10.68	1.84	7.22	5.03	7.58	1,187.68	20.37	20.37	1,208.05
Balance as at 31 March 2021	130.51	114.43	612.14	215.15	6.25	1.25	5.65	4.08	5.06	1,094.52	18.12	18.12	1,112.64



*Vanshvardhan Guppreetkaur*



	31 March 2021	31 March 2020
<b>Note 12 - Capital work-in-progress</b>		
At the beginning of the year	204.95	451.52
Incurred during the year	-	3.43
Charged during the year	(204.95)	(250.00)
At the end of the year	-	204.95
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 13 - Long-term loans and advances</b> (Unsecured, considered good)		
<b>To parties other than related parties</b>		
Security and other deposits	7.08	5.88
MAT credit entitlement	12.08	12.08
Others	7.64	7.64
	<b>26.80</b>	<b>25.60</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 14 - Other non-current assets</b> (Unsecured, considered good)		
Deferred Revenue Expenditure	43.94	87.89
Retention Money	-	7.53
	<b>43.94</b>	<b>95.42</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 15 - Inventories</b> (Valued at cost)		
Raw materials *	896.97	1,402.69
Work-in-progress *	270.00	1,970.85
	<b>1,166.97</b>	<b>3,373.54</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 16 - Trade receivables</b>		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
(a) Unsecured, Considered good	81.53	288.29
	<b>81.53</b>	<b>288.29</b>
Other receivables		
(a) Unsecured, Considered good	75.07	70.54
	<b>75.07</b>	<b>70.54</b>
	<b>156.60</b>	<b>358.83</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 17 - Cash and cash equivalents</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.26	0.49
Balances with banks		
On current accounts	10.82	0.31
On deposit accounts	86.19	508.31
	<b>97.27</b>	<b>509.11</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 18 - Short-term loans and advances</b> (Unsecured, considered good unless otherwise stated)		
<b>To parties other than related parties</b>		
Advances for supplies	408.17	489.93
Advance to employees	50.88	66.53
Advance income tax	38.79	31.70
Prepaid expenses	0.09	1.35
Balance with statutory/excise authorities	79.95	305.88
	<b>577.88</b>	<b>895.39</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 19 - Other current assets</b>		
Export incentive receivable	4.51	14.15
	<b>4.51</b>	<b>14.15</b>



Gurpreet Kaur Vohra Varshey

	31 March 2021	31 March 2020
<b>Note 20 - Revenue from operations</b>		
<b>Sale of products</b>		
Induction Furnace Support Structure & Tilting Frame Assembly/Induction Furnace Crucible Etc.	1,315.31	6,541.18
<b>Sale of services</b>	1.43	37.63
<b>Other operating revenue</b>		
Export incentives	0.08	53.27
Scrap Sale & Liab written Back	1,454.78	21.49
Other Contractual Income	-	-
	<u>1,454.86</u>	<u>74.76</u>
	<u>2,771.60</u>	<u>6,653.57</u>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 21 - Other Income</b>		
Interest on fixed deposits with banks	27.18	26.65
Profit on foreign exchange fluctuation	-	16.38
Interest on others	0.70	-
Miscellaneous income	198.50	25.09
	<u>226.38</u>	<u>68.12</u>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 22 - Cost of materials consumed</b>		
Inventory of raw materials at the beginning of the year	1,402.69	2,185.32
Purchases	1,052.15	5,040.41
	<u>2,454.84</u>	<u>7,225.73</u>
Less: Inventory of raw materials at the end of the year	896.97	1,402.69
	<u>1,557.87</u>	<u>5,823.04</u>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 23 - Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening stock</b>		
Work-in-progress	1,970.85	3,008.59
	<u>1,970.85</u>	<u>3,008.59</u>
<b>Closing stock</b>		
Work-in-progress	270.00	1,970.85
	<u>270.00</u>	<u>1,970.85</u>
	<u>1,700.85</u>	<u>1,037.74</u>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 24 - Employee benefits expense</b>		
Salaries, wages and bonus	85.97	252.28
Contribution to provident and other funds	6.21	9.34
Gratuity	8.65	(68.22)
Staff welfare expenses	5.49	18.62
	<u>106.32</u>	<u>212.02</u>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 25 - Finance costs</b>		
Interest expense	279.04	305.31
Other borrowing costs	11.13	97.04
	<u>290.17</u>	<u>402.35</u>



Gurpreet Kaur Vsus Kishay



	31 March 2021	31 March 2020
<b>Note 26 - Other expenses</b>		
Consumption of stores and spare parts	157.10	77.99
Power and fuel	38.85	54.12
Freight, clearing and forwarding	4.07	13.39
Rent (net)	101.72	16.86
Repairs to:		
Plant and machinery	151.17	3.08
Others	6.07	21.82
Insurance	15.53	23.75
Rates and taxes	15.66	14.74
Travelling and conveyance expenses	0.69	19.81
Legal and professional fees	11.53	95.28
Payment to auditors' (refer note (a) below)	0.80	0.80
Security Service Charges	2.28	4.29
Warranty Expenses	0.05	16.68
Advertisement and Sales Promotion	-	41.33
Printing and stationery	0.08	3.36
Telephone and communication expenses	2.43	4.84
Bad debts written off	166.26	173.69
Def. Revenue Exp. W-Off.	43.94	43.94
Selling Expenses	29.60	231.24
Loss on foreign exchange fluctuation	4.01	-
Payment of Old Liabilities	17.60	20.10
Miscellaneous expenses	4.43	13.05
	<b>773.87</b>	<b>894.16</b>

**a. Payment to auditors':**

	31 March 2021	31 March 2020
Statutory audit	0.50	0.50
Tax audit	0.30	0.30
	<b>0.80</b>	<b>0.80</b>

**Note 27 - Earnings/(Loss) per share (EPS)**

		31 March 2021	31 March 2020
Profit after tax as reported	(a)	(1,526.51)	(1,744.58)
Net Profit attributable to Equity Shareholders for calculation of basic and diluted (Rs in lakhs)	(b)	(1,526.51)	(1,744.58)
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS (in nos)	(c)	59,071	59,071
Basic and Diluted EPS of Rs 1,000 each	(d) = (b) / (c)	(2,584.20)	(2,953.36)
Nominal value of equity share (in Rs)		1,000.00	1,000.00

**Note 28 - Contingent liabilities and commitments**

(to the extent not provided for)

	31 March 2021	31 March 2020
<b>a) Contingent Liabilities:</b>		
(i) Sales tax matters in dispute/ under appeal	1,158.69	1,158.69
(ii) Excise/ Service Tax matters in dispute/under appeal	-	-
(iii) Income Tax in dispute/ under appeal	392.05	340.69
(iv) Entry Tax Matter in dispute/under appeal	273.70	273.70

**Note 29 - CIF value of imports**

	31 March 2021	31 March 2020
Raw materials	-	459.54
	-	459.54

**Note 30 - Expenditure in foreign currency**

	31 March 2021	31 March 2020
Travelling & Marketing	-	31.92



*Gurpreetkaur*

*Vishu Vardhraj*

**Note 31 - Earnings in foreign currency**  
F.O.B. value of exports

	31 March 2021	31 March 2020
	5.62	1,856.57

**Note 32 - Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures**

(i) List of related party and relationship where control exists

(a) Enterprises having control over the Company with which transaction has taken place during the year and previous year.

Megatherm Electronics Private Limited - Immediate holding company

(b) Fellow Subsidiaries (with whom transactions have taken place during the year and previous year):

Megatherm Induction Private Limited

(ii) Names of the other related parties with whom transactions have taken place during the year

(a) Key Managerial Personnel

Mr. Shesadri Bhusan Chanda, Director

Mr. Vikas Varshneya, Director

Mr. Gurpreet Kaur, Director

(iii) Details of transactions with related parties

Particulars	31 March 2021	31 March 2020
<b>Relating to Profit and Loss account</b>		
<b>Sale of Products/services</b>		
Megatherm Electronics Private Limited	-	305.69
Megatherm Induction Private Limited	1,198.01	3,331.77
<b>Purchase of Products/Services</b>		
Megatherm Electronics Private Limited	76.13	2.89
Megatherm Induction Private Limited	699.02	1,824.71
<b>Interest Expenses</b>		
Megatherm Electronics Private Limited	1.90	-
<b>Salaries/ Managerial Remuneration</b>		
Mr. Shesadri Bhusan Chanda	6.00	12.00
Mr. Gurpreet Kaur	3.13	3.84
<b>Relating to Balance Sheet</b>		
<b>Loan received</b>		
Megatherm Electronics Private Limited	920.00	-
<b>Balances at the year end</b>		
<b>Closing Balance in Interest Payable</b>		
Megatherm Electronics Private Limited	920.00	-
<b>Closing Balance in Loan (Cr.)</b>		
Megatherm Electronics Private Limited	1.76	-
<b>Closing Credit Balance</b>		
Megatherm Electronics Private Limited	428.70	298.99
Megatherm Induction Private Limited	185.12	101.13



*Gurpreet Kaur*



**Note 33 - Segment information**

Segments have been identified in line with the Accounting Standard 17 - Segment Reporting, taking into account the nature of products and services, the different risks and returns, the organisational structure and the internal financial reporting system. The Company is engaged in the business of manufacturing and sale of induction. It has manufacturing location in India only. Based on the dominant source and nature of risk and returns of the Company, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Company has only one business segment.

**Note 34**

Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification/ disclosure.

As per our report of even date attached  
**For Sanjay Khandelwal & Co**  
Chartered Accountants  
Firm's Registration Number. 323311E



**(CA Sanjay Khandelwal)**

Proprietor

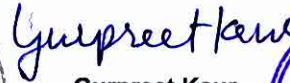
Membership No. - 054451

Place: Kolkata

Date : 22.09.2021

Udin : 21054451AAAAAN23445





**Gurpreet Kaur**

Director

DIN: 00963191





**Vikas Varshneya**

Director

DIN: 00963081