



SHARP & TANNAN
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Sharp Chucks & Machines Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sharp Chucks & Machines Private Limited ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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 March 31, 2020, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures there to and management discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Shreedhar T. Kunte Rajkumar Khullar
Pavan K. Aggarwal Raghunath P. Acharya
Associate Offices: Bangalore, Chennai, Goa, Mumbai, Pune & Hyderabad

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 operating effectiveness of such controls.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 'A', a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014;



SHARP & TANNAN

Chartered Accountants

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- (e) on the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 1) the Company does not have any pending litigations which would impact its financial position in its financial statements except as reported under notes to the financial statement.
 - 2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 3) the Company is not required to transfer any amount to Investor Education and Protection Fund.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.000452N
by the hand of

Rajkumar

RAJKUMAR KHULLAR
Partner
Membership No. 092507

Place: Jalandhar
Date : 08-12-2020

UDIN:- 20092507AAAAER1850



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and 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 the immovable properties are held in the name of the Company.
- (ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, made any investments, given any guarantees and security. Accordingly, the Paragraph 3 (iv) of the Order are not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of CARO 2016 is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.



SHARP & TANNAN

Chartered Accountants

LETTER NO. _____

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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except delay in few cases.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

| Name of Statute | Nature of disputed dues | Amount (Rs.) | Period to which the amount relates | Forum where disputes are pending |
|-----------------|-------------------------|--------------|------------------------------------|----------------------------------|
| Nil | | | | |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures. Accordingly, the Paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, the Paragraph 3 (ix) of the Order is 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 generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year.
- (xi) The provisions of section 197 read with schedule V to the Companies Act, 2013 with regard to managerial remuneration is not applicable to the Company. Accordingly, reporting under clause 3(xi) of the order does not arise.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.



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- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) 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.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.000452N
by the hand of

Rajkumar

RAJKUMAR KHULLAR
Partner
Membership No. 092507

Place: Jalandhar
Date : 08-12-2020

UDIN:- 20092507AAAAER1850



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **Sharp Chucks & Machines Private Limited** (the 'Company') as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.000452N
by the hand of

Rajkumar

RAJKUMAR KHULLAR
Partner
Membership No. 092507



Place: Jalandhar
Date : 08-12-2020

UDIN:- 20092507AAAAER1850

SHARP CHUCKS & MACHINES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(Amount in Rs.)

| | Note | As at 31-03-2020 | As at 31-03-2019 |
|--|------|------------------------------|------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share capital | 1 | 9,78,43,080 | 9,78,43,080 |
| Reserve & surplus | 2 | 29,25,25,039 | 26,10,62,111 |
| | | <u>39,03,68,119</u> | <u>35,89,05,191</u> |
| NON CURRENT LIABILITIES | | | |
| Long terms borrowings | 3 | 10,28,05,664 | 7,45,81,889 |
| Deferred tax liabilities (net) | 4 | 3,65,52,549 | 3,35,84,607 |
| Other long term liabilities | 5 | 2,32,22,195 | 2,22,02,195 |
| Long term provisions | 6 | 60,39,312 | 45,36,121 |
| | | <u>16,86,19,720</u> | <u>13,49,04,812</u> |
| CURRENT LIABILITIES | | | |
| Short term borrowings | 7 | 37,52,29,924 | 34,74,54,539 |
| Current maturity of long term borrowings | 8 | 2,72,19,862 | 3,34,52,777 |
| Trade Payables | 9 | | |
| - Due to Micro & Small Enterprises | | 1,50,45,070 | 2,05,05,183 |
| - Due to Others | | 21,87,75,225 | 15,84,82,567 |
| Other current liabilities | 10 | 3,83,63,659 | 4,22,41,856 |
| Short term provisions | 11 | 1,00,70,699 | 89,37,428 |
| | | <u>68,47,04,439</u> | <u>61,10,74,351</u> |
| Total | | <u><u>1,24,36,92,278</u></u> | <u><u>1,10,48,84,354</u></u> |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | |
| Tangible assets | 12 | 47,90,86,077 | 45,26,66,254 |
| Intangible assets | 12 | 12,38,591 | 12,46,125 |
| Capital work in progress | | | |
| Non-current investment | | | |
| Long term loans & advances | 13 | 1,91,54,214 | 1,70,80,046 |
| CURRENT ASSETS | | | |
| Current investments | | | |
| Inventories | 14 | 49,11,51,210 | 47,34,64,436 |
| Trade receivables | 15 | 21,35,99,342 | 13,58,11,940 |
| Cash and bank balances | 16 | 83,63,861 | 61,02,194 |
| Short term loans & advances | 17 | 3,03,76,983 | 1,74,27,357 |
| Other current assets | 18 | 7,24,000 | 10,86,000 |
| Total | | <u><u>1,24,36,92,278</u></u> | <u><u>1,10,48,84,353</u></u> |
| CONTINGENT LIABILITIES | 19 | | |
| CAPITAL COMMITMENTS | 20 | | |
| SIGNIFICANT ACCOUNTING POLICIES | 28 | | |
| OTHER NOTES FORMING PART OF THE ACCOUNTS | 29 | | |

As per our report attached
 Sharp & Tannan
 Chartered Accountants
 Firm registration no: 000452N
 By the hand of

Rajkumar
 Rajkumar Khullar
 Partner
 Membership no:- 092507

Place: Jalandhar
 Date:



Ajay Sikka
 Ajay Sikka
 Managing Director
 DIN: 00665858

Gopika Sikka
 Gopika Sikka
 Director
 DIN: 00665904

Rajal Kathpalia
 Rajal Kathpalia
 Company Secretary
 Redg No :36236

08 DEC 2020

SHARP CHUCKS & MACHINES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rs.)

| | Note | 2019-20 | 2018-19 |
|---|------|-----------------------|-----------------------|
| INCOME | | | |
| Revenue from operations (gross) | 21 | 1,33,09,71,905 | 1,24,82,33,719 |
| Less:- GST | | 20,28,60,186 | 19,21,25,102 |
| Revenue from operations (net) | | 1,12,81,11,719 | 1,05,61,08,617 |
| Other income | 22 | 80,09,458 | 55,03,384 |
| Total Revenue | | 1,13,61,21,177 | 1,06,16,12,001 |
| EXPENSES | | | |
| Manufacturing and operating expenses: | 23 | | |
| Cost of material consumed | | 57,06,03,768 | 50,92,35,714 |
| Purchases of stock in trade | | - | - |
| Stores, spares and tools consumed | | 12,67,52,977 | 15,42,97,263 |
| Changes in inventories of finished goods, work- in- progress and stock- in- trade | | 5,05,871 | (5,05,00,427) |
| Other manufacturing and operating expenses | | 16,47,15,544 | 20,19,79,858 |
| Employee benefits expenses | 24 | 7,80,68,692 | 7,40,03,780 |
| Finance costs | 25 | 5,88,52,933 | 5,75,76,627 |
| Depreciation | 26 | 3,57,45,956 | 3,24,71,170 |
| Other expenses | 27 | 5,71,49,152 | 4,24,12,623 |
| Total Expenses | | 1,09,23,94,892 | 1,02,14,76,808 |
| | | 4,37,26,285 | 4,01,35,394 |
| Tax expense | | | |
| Current tax | | 93,00,000 | 83,00,000 |
| Income Tax for earlier years | | (4,585) | (7,28,956) |
| Deferred tax | | 29,67,942 | 61,06,628 |
| | | 1,22,63,357 | 1,36,77,672 |
| Profit for the year | | 3,14,62,928 | 2,64,57,721 |

Earning per Equity Shares

| | | |
|-----------------|------|------|
| Basic (In Rs) | 3.22 | 2.70 |
| Diluted (In Rs) | 3.22 | 2.70 |

SIGNIFICANT ACCOUNTING POLICIES

28

OTHER NOTES FORMING PART OF THE ACCOUNTS

29

As per our report attached

Sharp & Tannan
 Chartered Accountants
 Firm registration no: 000452N
 By the hand of

Rajkumar
 Rajkumar Khullar
 Partner
 Membership no:- 092507

Place: Jalandhar

Date: **08 DEC 2020**



[Signature]
 Anvy Sikka
 Managing Director
 DIN: 00665858

[Signature]
 Gopika Sikka
 Director
 DIN: 00665904

[Signature]
 Rajat Kathpalia
 Company Secretary
 Redg No :36236

SHARP CHUCKS & MACHINES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rs.)

| | 2019-20 Rs. | 2018-19 Rs. |
|---|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit/ (Loss) before tax | 4,37,26,285 | 4,01,35,394 |
| Adjustments for: | | |
| Depreciation | 3,57,45,956 | 3,24,71,170 |
| Forex fluctuation(gain) /loss | (15,42,421) | (9,14,162) |
| Preliminary expenses W/O | - | - |
| Interest paid | 5,88,52,933 | 5,75,76,627 |
| Interest received | (22,46,418) | (9,23,706) |
| Profit/Loss on sale of Fixed Assets | 1,51,951 | 48,872 |
| Direct tax paid | (92,95,415) | (75,71,044) |
| Operating profit / (Loss) before working capital changes | 12,53,92,871 | 12,08,23,150 |
| Adjustment for: | | |
| (Increase) / decrease in short term loans and advances | (1,29,49,625) | (16,28,516) |
| (Increase) / decrease in long term loans and advances | (20,74,168) | (10,55,877) |
| (Increase) / decrease in trade receivables | (7,62,44,981) | 2,96,98,967 |
| (Increase) / decrease in inventories | (1,76,86,774) | (10,04,25,042) |
| (Increase) / decrease in other current assets | 3,62,000 | 3,62,000 |
| Increase / (decrease) in trade payables | 5,48,32,544 | 5,46,83,260 |
| Increase / (decrease) in other current liabilities and current maturities of long term borrowings | (1,01,11,112) | 1,91,36,400 |
| Increase / (decrease) in other long term liability | 10,20,000 | 12,50,000 |
| Increase / (decrease) in short term provisions | 11,33,271 | 54,96,273 |
| Increase / (decrease) in long term provisions | 15,03,191 | 3,50,603 |
| Increase / (decrease) in long term borrowings | 2,82,23,776 | (2,25,31,460) |
| Increase / (decrease) in short term borrowings | 2,77,75,385 | (1,57,35,390) |
| Cash flow from operating activities (A) | 12,11,76,377 | 9,04,24,368 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Sale / (Purchase) of property, plant and equipment -Net | (6,23,08,195) | (5,38,78,433) |
| Interest received | 22,46,418 | 9,23,706 |
| Net cash flow (used in) /from investing activities (B) | (6,00,61,777) | (5,29,54,727) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Security premium | - | - |
| Proceeds from issue of shares | - | - |
| Interest paid | (5,88,52,933) | (5,75,76,627) |
| Net cash flow / (used in) from financing activities (C) | (5,88,52,933) | (5,75,76,627) |
| Net increase in cash and cash equivalents (A+B+C) | 22,61,667 | (2,01,06,986) |
| Cash and cash equivalents at beginning of the period | 61,02,194 | 2,62,09,181 |
| Cash and cash equivalents at end of the period | 83,63,861 | 61,02,194.0 |
| Net increase in cash and cash equivalents | 22,61,667 | (2,01,06,986) |

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Purchase of Property, Plant and Equipment includes movement of capital work-in-progress during the year.

As per our report attached

Sharp & Tannan
Chartered Accountants
Firm registration no: 000452N
By the hand of

Rajkumar
Rajkumar Khullar
Partner
Membership no:- 092507

Place: Jalandhar
Date: **08 DEC 2020**



Ajay Sikka
Ajay Sikka
Managing Director
DIN: 00665858

Rajat Kathpalia
Rajat Kathpalia
Company Secretary
Redg No :36236

Gopika Sikka
Gopika Sikka
Director
DIN: 00665904

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD AS AT MARCH 31, 2020

1. SHARE CAPITAL

(a) Share capital authorised, issued, subscribed and paid up:

| Particulars | As at 31/03/2020 | | As at 31/03/2019 | |
|--|--------------------|---------------------|--------------------|---------------------|
| | Number of shares | Rs | Number of shares | Rs |
| Authorised | | | | |
| Equity shares of Rs. 10/- each | 1,10,00,000 | 11,00,00,000 | 1,10,00,000 | 11,00,00,000 |
| | <u>1,10,00,000</u> | <u>11,00,00,000</u> | <u>1,10,00,000</u> | <u>11,00,00,000</u> |
| Issued, Subscribed and Paid Up: | | | | |
| Equity shares of Rs. 10/- each fully paid up | 97,84,308 | 9,78,43,080 | 97,84,308 | 9,78,43,080 |
| | <u>97,84,308</u> | <u>9,78,43,080</u> | <u>97,84,308</u> | <u>9,78,43,080</u> |

(b) Reconciliation of the number of equity shares and share capital:

| Particulars | 2019-20 | | 2018-19 | |
|---|------------------|--------------------|------------------|--------------------|
| | Number of shares | Rs | Number of shares | Rs |
| Issued, subscribed and fully paid up equity shares outstanding at beginning of the year | 97,84,308 | 9,78,43,080 | 97,84,308 | 9,78,43,080 |
| Add: Shares issued during the year | - | - | - | - |
| Issued, subscribed and fully paid up equity shares outstanding at end of the year | <u>97,84,308</u> | <u>9,78,43,080</u> | <u>97,84,308</u> | <u>9,78,43,080</u> |

(c) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e. equity shares having face value of 10 per share. Each holder of equity share is entitled to one vote per share. "In addition a Subscription-cum-Shareholders Agreement was executed on April 22, 2014 between Company, Promoters, Other Shareholders and SIDBI Venture Capital Limited with terms and conditions of the investment".

(d) The details of Shareholders holding more than 5% shares :

| Name of the shareholder | Number of shares | Shareholding % | Number of shares | Shareholding % |
|--|------------------|----------------|------------------|----------------|
| EQUITY SHAREHOLDERS | | | | |
| Sh. Ajay Sikka | 40,50,920 | 41.40 | 40,50,920 | 41.40 |
| Smt. Suman Bala | 5,68,685 | 5.81 | 5,68,685 | 5.81 |
| Sh Ashok Sikka | 6,42,892 | 6.57 | 6,42,892 | 6.57 |
| Smt. Gopika Sikka | 17,67,170 | 18.06 | 17,67,170 | 18.06 |
| SIDBI Trustee Company Limited A/c India Opportunities Fund | 19,28,516 | 19.71 | 19,28,516 | 19.71 |



| (2) RESERVE AND SURPLUS | | |
|--------------------------------------|---------------------|---------------------|
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| (a) SECURITY PREMIUM | | |
| As per last Balance Sheet | 7,42,86,417 | 7,42,86,417 |
| Add: Amount received during the year | - | - |
| Total | 7,42,86,417 | 7,42,86,417 |
| (b) GENERAL RESERVE | | |
| As per last Balance Sheet | 1,43,00,000 | 1,23,00,000 |
| Add: Additions during the year | 20,00,000 | 20,00,000 |
| Total | 1,63,00,000 | 1,43,00,000 |
| (c) CAPITAL SUBSIDY | | |
| As per last Balance Sheet | 19,42,200 | 19,42,200 |
| Add: Additions during the year | - | - |
| Total | 19,42,200 | 19,42,200 |
| (d) PROFIT & LOSS ACCOUNT | | |
| As per last Balance Sheet | 17,05,33,494 | 14,60,75,773 |
| Add: Profit for the year | 3,14,62,928 | 2,64,57,721 |
| Less: Adjustment | - | - |
| Less: Transfer to general reserve | (20,00,000) | (20,00,000) |
| Total | 19,99,96,422 | 17,05,33,494 |
| | 29,25,25,039 | 26,10,62,111 |

| (3) LONG TERM BORROWINGS | | |
|---|---------------------|--------------------|
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Secured | | |
| -Term Loans from Banks | 13,00,25,526 | 6,80,37,466 |
| -Term Loan from Financial Institutions | - | 3,99,97,200 |
| Less :- Current Maturities of long term borrowing | - | - |
| -Term Loans from Banks | 2,59,96,984 | 1,72,28,342 |
| -Term Loan from Financial Institutions | - | 1,50,00,000 |
| -Other Loans from Banks | 12,22,878 | 12,24,435 |
| Unsecured | | |
| Total | 10,28,05,664 | 7,45,81,889 |

Term Loans from Banks are secured against all present and future movable assets of the Company and collaterally secured against house no -147-148, Shakti Nagar Jalandhar owned by Ajay Sikka and Land & Building situated at Kh No. 39//6,7,14,15,17, 24, Village Dhogri, Tehsil & Distt. Jalandhar.

Maturity profile and other relevant terms of Secured Term Loans are as set out below :

| Particulars | O/S 31.03.2020 | 2020-21 | 2021-22 | 2022-23 onwards |
|--|----------------|-------------|-------------|-----------------|
| Axis Bank Term Loan- 10.25% | 7,92,44,801 | 92,85,720 | 92,85,720 | 6,06,73,361 |
| Canara Bank New Term Loan (2508766000064)-8.65% | 2,51,88,960 | 90,00,000 | 90,00,000 | 71,88,960 |
| Canara Bank New Term Loan (2508766000078)-10.70% | 2,33,34,257 | 75,00,000 | 75,00,000 | 83,34,257 |
| HDFC Bank Car Loan (Mahindra Tuv)-8.50% | 2,86,724 | 2,44,009 | 42,715 | - |
| HDFC Bank Car Loan (Swift)-8.50% | 2,18,713 | 1,86,130 | 32,583 | - |
| HDFC Bank (Forklift) A/c No: 83115958 -10.93% | 4,67,623 | 2,11,264 | 2,35,549 | 20,810 |
| HDFC Car Loan (Fortuner Car)-7.80% | 12,84,448 | 7,92,739 | 491,709 | - |
| | 13,00,25,526 | 2,72,19,862 | 2,65,88,276 | 7,62,17,388 |



| (4) DEFERRED TAX LIABILITY (NET) | | |
|---|---------------------|---------------------|
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Deferred tax liability | 3,65,52,549 | 3,35,84,607 |
| Total | 3,65,52,549 | 3,35,84,607 |
| (5) OTHER LONG TERM LIABILITIES | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| From Directors | 1,32,22,195 | 1,22,02,195 |
| From Promoters under stipulation of financial institutions | 1,00,00,000 | 1,00,00,000 |
| Total | 2,32,22,195 | 2,22,02,195 |
| * Interest free loan from directors/ Promoters | | |
| (6) LONG TERM PROVISIONS | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Provisions for employee benefits | 60,39,312 | 45,36,121 |
| Total | 60,39,312 | 45,36,121 |
| (7) SHORT TERM BORROWINGS | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Secured | | |
| Canara bank C/C | 25,29,75,916 | 25,18,11,932 |
| Canara bank packing credit | 1,00,00,000 | 99,83,434 |
| Axis Bank Ltd C/c | 6,05,31,981 | - |
| Mahindra & Mahindra Financial Services Ltd (PO Discounting) | 2,00,00,000 | 2,00,00,000 |
| Tata Capital Financial Services Ltd (PO discounting) | - | - |
| Tata Capital Financial Services Ltd (WC DL) | - | 5,96,80,598 |
| Unsecured | | |
| From Banks | 1,87,67,033 | - |
| From Others | 1,29,54,994 | 59,78,575 |
| Total | 37,52,29,924 | 34,74,54,539 |
| NOTE: | | |
| Working capital facility from Canara Bank is secured against:- | | |
| Primary security: | | |
| Secured against hypothecation of stock, book debts and plant and machinery | | |
| Collateral Security : | | |
| i. Properties at A-12, Industrial Development Colony, Jalandhar and House no-148 Shakti Nagar Jalandhar owned by Mr. Ajay Sikka; | | |
| ii. Properties at A-10, A-11, A-13, A-17, A-18 A-20 A-21, A-22, A-23, A-24 and A-26, Industrial Development Colony, Jalandhar owned by the Company; and | | |
| iii. Property at Hanbast no 325 Khewat Khatoni Village Sura, Jalandhar owned by the Company. | | |
| Cash credit facility from AXIS Bank is secured against:- | | |
| Primary security: | | |
| First pari passu charge with Canara Bank by way of hypothecation of stock, book debts and plant and machinery. | | |
| Collateral Security : | | |
| Land & Building situated at Kh No. 39//6,7,14,15,17,24 Village Dhogri, Tehsil & Distt. Jalandhar. | | |
| PO Financing from Mahindra & Mahindra Financial Services Ltd is secured by Demand Promissory Note. | | |



| (8) CURRENT MATURITY OF LONG TERM BORROWINGS | | |
|---|----------------------------|----------------------------|
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Current Maturities of long term borrowing: | | |
| -Term Loans from Banks | 2,59,96,984 | 1,72,28,342 |
| -Term Loan from Financial Institutions | - | 1,50,00,000 |
| -Other Loans from Banks | 12,22,878 | 12,24,435 |
| Total | <u>2,72,19,862</u> | <u>3,34,52,777</u> |
| (9) TRADE PAYABLES | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Due to Micro, Small and Medium Enterprises | 1,50,45,070 | 2,05,05,183 |
| Due to Others | 21,87,75,225 | 15,84,82,567 |
| Total | <u>23,38,20,295</u> | <u>17,89,87,750</u> |
| (10) OTHER CURRENT LIABILITIES | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Duties & taxes | 1,88,40,181 | 1,15,83,108 |
| Advance from parties | 13,822 | 51,28,158 |
| Expense payable | 1,95,09,656 | 2,55,30,590 |
| Total | <u>3,83,63,659</u> | <u>4,22,41,856</u> |
| (11) SHORT TERM PROVISIONS | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Provision for income tax | 93,00,000 | 83,00,000 |
| Provisions for employee benefits (Current) | 7,70,699 | 6,37,428 |
| Total | <u>1,00,70,699</u> | <u>89,37,428</u> |



Note no.12

Property, plant and equipment

| | Gross Block | | | | | | Depreciation | | | Net Block | |
|-------------------------------------|---------------------|--------------------|------------------|---------------------|---------------------|--------------------|---------------|---------------------|---------------------|---------------------|--|
| | As at 01.04.2019 | Additions | Deduction | As at 31.03.2020 | As at 01.04.2019 | For the year | Deduction | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 | |
| | | | | | | | | | | | |
| Tangible assets | | | | | | | | | | | |
| Land | 3,77,11,826 | - | - | 3,77,11,826 | - | - | - | - | 3,77,11,826 | 3,77,11,826 | |
| Building | 6,37,30,831 | - | - | 6,37,30,831 | 1,03,52,500 | 16,59,060 | - | 1,20,11,560 | 5,17,19,271 | 5,33,78,331 | |
| Computer | 36,67,950 | 23,729 | - | 36,91,719 | 29,44,983 | 4,63,198 | - | 34,08,181 | 2,83,538 | 7,23,007 | |
| Plant & Machinery | 48,52,93,639 | 5,92,29,550 | 20,20,000 | 54,25,03,189 | 13,69,90,175 | 3,11,81,214 | 93,050 | 16,80,78,339 | 37,44,24,850 | 34,83,03,464 | |
| Furniture & office equipments | 91,05,376 | 13,78,859 | - | 1,04,84,235 | 43,13,760 | 8,78,890 | - | 51,92,650 | 52,91,585 | 47,91,616 | |
| Vehicles | 99,78,226 | 4,54,286 | - | 1,04,42,512 | 45,41,756 | 10,22,622 | - | 55,64,378 | 48,78,134 | 54,36,470 | |
| Air pollution control | 31,05,059 | - | - | 31,05,059 | 7,83,519 | 2,02,939 | - | 9,86,458 | 21,18,601 | 23,21,540 | |
| Capital Work in Progress | | | | | | | | | | | |
| Building Under Construction | - | 26,58,273 | - | 26,58,273 | - | - | - | - | 26,58,273 | - | |
| Total-(i) | 61,25,92,946 | 6,37,54,697 | 20,20,000 | 67,43,27,643 | 15,99,26,693 | 3,54,07,923 | 93,050 | 19,52,41,566 | 47,90,86,077 | 45,26,66,254 | |
| Intangible Assets | | | | | | | | | | | |
| Software | 23,52,982 | 36,000 | - | 23,88,982 | 11,06,857 | 3,38,034 | - | 14,44,891 | 9,44,091 | 12,46,125 | |
| Capital Work in Progress | | | | | | | | | | | |
| Computer Software Under Development | - | 2,92,500 | - | 2,92,500 | - | - | - | - | 2,92,500 | - | |
| Total-(ii) | 23,52,982 | 3,28,500 | - | 26,81,482 | 11,06,857 | 3,38,034 | - | 14,44,891 | 12,36,591 | 12,46,125 | |
| Total-(i)+(ii) | 61,49,45,928 | 6,40,83,197 | 20,20,000 | 67,70,09,125 | 16,10,33,550 | 3,57,45,957 | 93,050 | 19,66,86,457 | 48,03,22,668 | 45,39,12,379 | |
| Previous Year | 56,19,16,723 | 5,48,61,498 | 19,32,293 | 61,49,45,928 | 12,93,62,734 | 3,24,71,170 | 8,00,354 | 16,10,33,550 | 45,39,12,379 | 43,25,53,988 | |



| <u>(13) LONG TERM LOANS & ADVANCES</u> | | |
|--|----------------------------|----------------------------|
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Capital advances | 11,69,652 | 11,46,252 |
| Security deposits | 1,79,84,562 | 1,59,33,794 |
| Total | <u>1,91,54,214</u> | <u>1,70,80,046</u> |
| <u>(14) INVENTORIES</u> | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| <i>(Valued at cost or market value whichever is lower)</i> | | |
| Raw material | 15,84,95,280 | 13,82,13,485 |
| Finished goods | 14,68,40,514 | 15,94,67,105 |
| Semi finished goods | 17,82,62,716 | 16,61,41,996 |
| Consumable stores & packing stock | 75,52,700 | 96,41,850 |
| Total | <u>49,11,51,210</u> | <u>47,34,64,436</u> |
| <u>(15) TRADE RECEIVABLE</u> | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Debts outstanding for a period of more than six months | | |
| - Considered good | 1,44,36,145 | 1,74,94,740 |
| - Considered doubtful | - | - |
| - Less : Allowance for doubtful debts | - | - |
| Other debts | | |
| - Considered good | 19,91,63,197 | 11,83,17,201 |
| - Considered doubtful | - | - |
| - Less : Allowance for doubtful debts | - | - |
| Total | <u>21,35,99,342</u> | <u>13,58,11,940</u> |
| Note: The Company has disclosed the above information based on the invoice date and not from the date the trade receivables are due for payment. | | |
| <u>(16) CASH & BANK BALANCES</u> | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| <u>Cash & Cash Equivalents</u> | | |
| Balance with banks | 21,66,583 | 36,27,563 |
| Cash on hand | 39,92,450 | 4,02,100 |
| Fixed deposits with banks (maturity less than 3 months) | - | - |
| Other bank balances | | |
| Margin money deposits | - | - |
| Fixed deposits with banks including interest accrued thereon (bank deposits with more than 12 months maturity) | 22,04,828 | 20,72,531 |
| Total | <u>83,63,861</u> | <u>61,02,194</u> |



| <u>(17) SHORT TERM LOANS & ADVANCES</u> | | |
|--|--------------------|--------------------|
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| (Unsecured and Considered Good) | | |
| Other loans & advances recoverable in cash or kind | | |
| Balance with revenue authorities | | |
| Advances to parties | 1,66,63,749 | 28,54,178 |
| Advance tax | 71,68,671 | 76,05,062 |
| Others | 65,44,563 | 69,68,118 |
| Total | 3,03,76,983 | 1,74,27,357 |
| <u>(18) OTHER CURRENT ASSETS</u> | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Deferred revenue expenditure (to the extent not written off) | 7,24,000 | 10,86,000 |
| Total | 7,24,000 | 10,86,000 |
| <u>(19) CONTINGENT LIABILITIES</u> | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Excise duty liability that may arise in respect of matters in appeal | | 3,74,125 |
| Claim against the Company not acknowledged as debt | 31,200 | 31,200 |
| Total | 31,200 | 4,05,325 |
| <u>(20) CAPITAL COMMITMENTS</u> | | |
| (Amount in Rs.) | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Estimated amount of contracts remaining to be executed on capital account (net of advances) | 21,82,500 | - |
| | 21,82,500 | - |



| <u>(21) REVENUE FROM OPERATIONS</u> | | |
|---|-----------------------|-----------------------|
| (Amount in Rs.) | | |
| Particulars | 2019-20 | 2018-19 |
| Sale of Products | 1,33,09,71,905 | 1,24,81,66,932 |
| Sale of Services | | 66,787 |
| Total | 1,33,09,71,905 | 1,24,82,33,719 |
| | | |
| <u>(22) OTHER INCOME</u> | | |
| (Amount in Rs.) | | |
| Particulars | 2019-20 | 2018-19 |
| Exports incentives | 34,11,647 | 24,39,043 |
| Interest received | 22,46,418 | 9,23,706 |
| Foreign exchange fluctuation | 15,42,421 | 9,14,162 |
| PMRY EPF Subsidy Received | 5,59,542 | 9,14,456 |
| Other Income | 2,49,430 | 3,12,017 |
| Total | 80,09,458 | 55,03,384 |
| | | |
| <u>(23) MANUFACTURING AND OPERATING EXPENSES</u> | | |
| (Amount in Rs.) | | |
| Particulars | 2019-20 | 2018-19 |
| Material Consumed | | |
| Opening Stock | 13,82,13,485 | 9,26,26,470 |
| Add: Purchases | 59,08,85,563 | 55,48,22,729 |
| Less: Closing Stock | (15,84,95,280) | (13,82,13,485) |
| Total | 57,06,03,768 | 50,92,35,714 |
| Purchases of stock in trade | | |
| Stores, spares and tools consumed | 12,67,52,977 | 15,42,97,263 |
| Changes in inventories of finished goods, work in progress and stock in trade | | |
| Opening stock | | |
| Finished goods | 15,94,67,105 | 12,93,02,194 |
| Work in progress | 16,61,41,996 | 14,58,06,480 |
| Closing stock | | |
| Finished goods | (14,68,40,514) | (15,94,67,105) |
| Work in progress | (17,82,62,716) | (16,61,41,996) |
| Total | 5,05,871 | (5,05,00,427) |
| Other manufacturing and operating expenses | | |
| -Power & fuel | 11,50,46,538 | 13,67,97,514 |
| -Oil & lubricants | 87,79,813 | 1,15,38,809 |
| -Machinery repair & maintenance | 1,13,12,602 | 1,44,49,363 |
| -Freight, octroi and cartage | 67,78,401 | 92,48,575 |
| -Job work charges | 2,27,98,191 | 2,99,45,598 |
| Total | 16,47,15,544 | 20,19,79,858 |



| (24) EMPLOYEE BENEFITS EXPENSES | | |
|--|--------------------|--------------------|
| (Amount in Rs.) | | |
| Particulars | 2019-20 | 2018-19 |
| Salaries, wages, bonus etc. | 6,71,07,013 | 6,42,65,745 |
| Contributions to provident, ESI & gratuity | 80,51,091 | 75,56,869 |
| Staff welfare expense | 29,10,588 | 21,81,166 |
| Total | 7,80,68,692 | 7,40,03,780 |
| (25) FINANCE COSTS | | |
| (Amount in Rs.) | | |
| Particulars | 2019-20 | 2018-19 |
| Interest expenses | 4,60,58,275 | 4,57,97,971 |
| Bank charges & finance charges | 1,27,94,658 | 1,17,78,655 |
| Total | 5,88,52,933 | 5,75,76,627 |
| (26) DEPRECIATION AND AMORTIZATION EXPENSES | | |
| Particulars | 2019-20 | 2018-19 |
| Depreciation | 3,57,45,956 | 3,24,71,170 |
| Total | 3,57,45,956 | 3,24,71,170 |
| (27) OTHER EXPENSES | | |
| Particulars | 2019-20 | 2018-19 |
| Brokerage & commission | 31,66,855 | 26,42,649 |
| Packing expenses | 39,76,180 | 38,20,584 |
| Professional Charges | 37,91,326 | 33,95,456 |
| Freight & handling charges | 1,39,25,347 | 1,47,56,277 |
| Rent, rates & taxes | 12,69,168 | 14,44,323 |
| Travelling expense | 17,55,330 | 14,99,768 |
| Insurance charges | 6,95,140 | 6,35,974 |
| Advertisement & sale promotion expenses | 2,17,041 | 5,89,263 |
| Repair & maintenance | 35,33,521 | 19,48,402 |
| Auditors remuneration | 9,20,000 | 8,50,000 |
| Amortization of deferred revenue expenditure | 3,62,000 | 3,62,000 |
| Loss on sale of Assets | 1,51,951 | 48,872 |
| Interest on statutory dues | 4,220 | 11,055 |
| Lease rental on machinery | 32,23,258 | 30,47,859 |
| Charity & donation | 47,300 | 1,78,200 |
| Postage & telephone expenses | 5,99,371 | 7,88,807 |
| Printing & stationery | 5,14,782 | 7,32,407 |
| Rebate & discount | 1,49,38,514 | 22,47,258 |
| Other expenses | 40,57,847 | 34,13,468 |
| Total | 5,71,49,152 | 4,24,12,623 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note: - 28

Significant accounting policies

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

C. PRESENTATION OF FINANCIAL STATEMENTS

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

D. INVENTORIES

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

E. REVENUE RECOGNITION

- (a) Revenue/Income and Cost/Expenditure are generally accounted for on accrual as they are earned or incurred, except in case of significant uncertainties.
- (b) Export incentives under various scheme promoted by Government of India are recognized on the basis of export affected during the accounting year.
- (c) Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Exports sales if any accounted for on the basis of the dates of 'On board Bill of lading.'
- (d) Dividend income is recognized when the right to receive payment is established.
- (e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.



F. PROPERTY, PLANT AND EQUIPMENT (PPE)

PPE are stated at cost less accumulated depreciation and amortization. Cost of fixed assets comprises purchase price (net of duties, rebates and discounts), non refundable duties, taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use.

G. DEPRECIATION

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

H. FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (c) Non-monetary foreign currency items are carried at cost.
- (d) Any resulting loss /gain is charged / taken to the Profit & Loss Account.

I. INVESTMENTS

Current investments are carried at lower of cost or fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

J. EMPLOYEE BENEFITS

- (a) Short term employee benefits:

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, expected cost of performance incentives, ex-gratia etc. are recognized as expense in the period in which the employee renders the related service.

- (b) Long term employee benefits:

Long term employee benefits including compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognized as a liability at the present value of the defined benefit obligation based on actuarial valuation (under projected unit credit method) carried out at the Balance Sheet date.



(c) Post Employment Benefits:

i. Defined-contribution plans:

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post employment benefits (viz. Provident Fund), the Company's contributions thereto are charged to Profit and Loss Account every year.

ii. Defined-benefit plan:

The Company has a defined benefit plan (viz., Gratuity) for employees, the liability for which is determined on the basis of valuation carried out by an independent actuary (under projected unit credit method) at the Balance Sheet date.

iii. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss Statement.

K. BORROWING COSTS

Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

L. SEGMENT ACCOUNTING

Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. Expenditure, which relate to the company as a whole and not allocable to segments are included under "un-allocable corporate expenditure".
- iii. Income, which relates to the Company as a whole and not allocable to is included in "un-allocable corporate income".
- iv. Segment assets and liabilities include those directly identifiable with the respective segments.

M. LEASES

- i. Assets acquired on lease where significant portion of risks and rewards of ownership are transferred to the lessee are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.
- ii. Assets acquired on lease where significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Statement of Profit and Loss on accrual basis.



N. INCOME TAXES

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessments.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses, losses under the head capital gains are recognized and carried forward to the extent that there is virtual certainty that sufficient further taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

O. IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

P. DEFERRED REVENUE EXPENDITURE

Deferred revenue expenditure is amortized over the period of five years.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

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



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note: - 29

Other notes forming part of accounts

A. The Company has outstanding bank guarantees amounting to Rs. 9,33,410 /- (Previous Year Rs. 9,33,410 /-) and letter of credit amounting to Rs. 90,00,000 /- (Previous Year - Rs. 89,97,500 /-).

B. Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee benefits"

Defined contribution plans:

During the year, the Company has contributed Rs. 46,83,488/- (Previous Year Rs. 43,61,673/-) towards recognized provident fund.

Defined benefit plans:

a) The amounts recognized in the Balance Sheet in respect of Gratuity Fund are as follows –

| | As at 31.03.2020 (Rupees) | As at 31.03.2019 (Rupees) |
|--|--------------------------------------|--------------------------------------|
| Present value of unfunded obligations at the beginning of the period | 51,73,549 | 46,26,673 |
| Amount to be recognized as liability at the end of the period | 68,10,011 | 51,73,549 |
| Amount reflecting in the Balance Sheet as Current Liability | 7,70,699 | 6,37,428 |
| Amount reflecting in the Balance Sheet as Non-current Liability | 60,39,312 | 45,36,121 |

b) The amounts recognized in the Statement of Profit and Loss for gratuity liability are as follows:-

| | Year ended 31.03.2020 (Rupees) | Year ended 31.03.2019 (Rupees) |
|---|---|---|
| Current Service Cost | 17,16,979 | 13,23,465 |
| Interest Cost | 3,62,148 | 3,58,567 |
| Net Actuarial Losses/(Gains) recognized in the year | 29,500 | 1,11,513 |
| Expenses recognized in the statement of profit & loss | 21,08,627 | 17,93,545 |



- c) The changes in the present value of defined benefit obligations (relating to gratuity liability) representing reconciliation of opening and closing balances thereof are as follows:-

| | As at 31.03.2020 (Rupees) | As at 31.03.2019 (Rupees) |
|---|------------------------------|------------------------------|
| Opening balance of the present value of defined benefit obligations | 51,73,549 | 46,26,673 |
| Add:-Current Service Cost | 17,16,979 | 13,23,465 |
| Add:- Interest Cost | 3,62,148 | 3,58,567 |
| Add:- Actuarial Losses/(Gains) | 29,500 | 1,11,513 |
| Less:-Benefit Paid | (4,72,165) | (12,46,669) |
| Closing balance of the present value of defined benefit obligations | 68,10,011 | 51,73,549 |

- d) Principal actuarial assumptions as at the Balance Sheet date:

| | As at 31.03.2020 | As at 31.03.2019 |
|------------------------------|------------------|------------------|
| Discount Rate (p.a) | 7.00 % per annum | 7.75 % per annum |
| Salary Escalation rate (p.a) | 5.00% per annum | 5.00% per annum |
| Withdrawal Rate | 5.00% per annum | 5.00% per annum |

- 1) Discount rate- Discount Rate has been determined by reference to market yields on the balance sheet date on Government bonds.
- 2) Salary escalation rate- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- 3) Retirement age-The employees of the Company are assumed to retire at the age of 60 years.
- 4) Mortality- As per published rates under the Indian Assured Lives Mortality (2012-14) Ultimate Table.

- C. The Company has amounts due to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2020. The disclosures pursuant to the said Act is as under:

| Particulars | As at March 31, 2020 (Rupees) | As at March 31, 2019 (Rupees) |
|---|----------------------------------|----------------------------------|
| Principle amount due to supplier registered under the MSMED Act and remaining unpaid as at the year end | 1,50,45,070 | 2,05,05,183 |



| | | |
|---|---|---|
| Interest due to suppliers registered under the MSMED Act on the above and remaining unpaid as at the year end | - | - |
| Principle amount paid to suppliers registered under the MSMED Act, beyond appointed day during the year | - | - |
| Interest paid other than Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond appointed day during the year | - | - |
| Interest due and payable to suppliers under the MSMED Act, beyond appointed date during the year | - | - |
| Interest due and payable to suppliers registered under the MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

The details with respect to amount due to micro and small enterprises have been determined to the extent such parties have been identified, based on information available with the Company. The Company has worked out interest liability amounting to Rs. 17.60 Lacs on account of delay in payment to suppliers. The above interest liability will be accounted for in the books on cash basis.

D. Disclosures pursuant to AS- 17 "Segment Reporting"

I. Primary Segment

The Primary segment reporting of the Company has been determined to be the business segments. The Company has only one business segment which is manufacture and sale of customized Casting, Machine Tools and Forging items. The amounts appearing in these financial statements relate to this primary business segment and therefore no separate business segment disclosure is required.

II. Secondary Segment

The Company has identified its geographic segments as (1) India and (2) Outside India. The details in respect of the geographical segments are given below:

| | ((Rupees in Lacs)) | | | | | |
|------------------------------|--------------------|----------|---------------|---------|----------|----------|
| | India | | Outside India | | Total | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Secondary Segments | | | | | | |
| Segment Revenue (Net) | 10632.02 | 10056.47 | 649.10 | 504.62 | 11281.12 | 10561.09 |

The Company's assets are entirely located in India.



E. As required by AS-18, "Related Party Disclosures", are given below:

I. Relationships:-

| | |
|----------------------------------|--|
| Key Management Personnel | Shri. Ajay Sikka (Managing Director) Smt. Gopika Sikka (Director) |
| Others (Related Parties) | Shri Ajay Sikka (HUF) Smt. Suman Bala Shri. Dinesh Sikka |

II. Transactions with related parties during the year:-

| Particulars | (Amount in Rupees) | | | |
|----------------|--------------------|-----------|------------------|-------|
| | Directors | | Others/Promoters | |
| | 19-20 | 18-19 | 19-20 | 18-19 |
| Remuneration | 27,00,000 | 28,05,000 | - | - |
| Travelling | 15,24,203 | 12,20,563 | - | - |
| Unsecured Loan | - | - | 15,00,000 | - |

III. Outstanding Balances as at March 31,2020:-

| Particulars | (Amount in Rupees) | | | |
|-----------------------|--------------------|-------------|------------------|-------------|
| | Directors | | Others/Promoters | |
| | 19-20 | 18-19 | 19-20 | 18-19 |
| Loan/Advance payables | 1,32,22,195 | 1,22,02,195 | 1,15,00,000 | 1,00,00,000 |

F. Disclosure pursuant to AS- 19 "Leases"

- The Company has not taken any assets on financial lease;
- The Company has taken machines under cancellable operating leases. The lease agreements are normally renewed on expiry. Lease rent charged to statement of profit and loss account for the year is Rs 32,23,258/- (Year 2018-19 – Rs. 30,47,859/-).



G. Earnings per share

Basic earnings per share have been computed by dividing the net profit after tax by the number of equity shares outstanding for the year.

| Particulars | 2019-20 (Rupees) | 2018-19 (Rupees) |
|--|---------------------|---------------------|
| Net Profit after tax (Rs.) – A | 3,14,62,928 | 2,64,57,721 |
| Number of weighted average equity shares (No's) – B | 97,84,308 | 97,84,308 |
| Basic Earnings per share (A/B) | 3.22 | 2.70 |

H. Major components of Deferred tax (Assets) /Liabilities

| Particulars | (Amount in Rupees) | | |
|---|----------------------------------|------------------------------|----------------------------------|
| | Deferred Tax As on 01.04.2019 | Current Year Deferred Tax | Deferred Tax As on 31.03.2020 |
| Deferred Tax Assets | | | |
| Provision for Gratuity | 16,67,401 | 2,39,797 | 19,07,198 |
| Sub Total-(i) | 16,67,401 | 2,39,797 | 19,07,198 |
| Deferred Tax Liability | | | |
| Difference between Book / Tax Depreciation | 3,52,52,008 | 32,07,739 | 3,84,59,747 |
| Sub Total-(ii) | 3,52,52,008 | 32,07,739 | 3,84,59,747 |
| Deferred Tax Assets/(Liabilities) (i-ii) | (3,35,84,607) | (29,67,942) | (3,65,52,549) |

I. Detail of Sales and raw material consumption:-

A) Sales (Net) :

| Class of Goods | 2019-20 (Rupees) | 2018-19 (Rupees) |
|----------------|---------------------|---------------------|
| Export Sale | 6,49,10,184 | 5,04,62,020 |
| Domestic Sale | 106,32,01,535 | 100,56,46,597 |



B) Raw Material & Components Consumed:

| Particulars | 2019-20 (Rupees) | % | 2018-19 (Rupees) | % |
|-------------------|---------------------|-------|---------------------|-------|
| Indigenous | 56,25,76,217 | 98.59 | 50,81,02,709 | 99.78 |
| Imported material | 80,27,551 | 1.41 | 11,33,005 | 0.22 |
| | 57,06,03,768 | 100 | 50,92,35,714 | 100 |

J. Foreign exchange Earnings, Expenditure and Exposure:-

Earning in foreign currency:-

| Particulars | 2019-20 (Rupees) | 2018-19 (Rupees) |
|----------------------------|---------------------|---------------------|
| Export of Goods(FOB Value) | 6,49,10,184 | 5,04,62,020 |

Expenditure in foreign currency:

| Particulars | 2019-20 (Rupees) | 2018-19 (Rupees) |
|-------------|---------------------|---------------------|
| Travelling | 11,19,437 | 3,44,411 |

Foreign currency – Exposure:

The foreign currency outstanding balances have that not been hedged by any derivative instrument or otherwise as at March 31, 2020. The details of assets and liabilities denominated in foreign currency as at the reporting date is given as under

| Details(Foreign Currency Denomination) | As at March 31, 2020 | | As at March 31, 2019 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | Foreign Currency Amount | Amount (In Rupees) | Foreign Currency Amount | Amount (In Rupees) |
| Assets | | | | |
| USD | 88423.00 | 6276616.00 | 157850.00 | 1,08,33,395 |
| EURO | 17579.00 | 1489367.58 | - | - |
| Liabilities | | | | |
| USD | - | - | - | - |
| EURO | - | - | - | - |

The Company has no derivatives outstanding at the balance sheet date.



K. Auditors' Remuneration (excluding applicable tax) charged to accounts:-

| Particulars | 2019-20 (Rupees) | 2018-19 (Rupees) |
|-----------------|---------------------|---------------------|
| Statutory Audit | 6,70,000 | 6,00,000 |
| Tax Audit | 1,00,000 | 1,00,000 |
| GST Audit | 1,50,000 | 1,50,000 |

- L. During the year, the Company has delayed in making payment against outstanding of suppliers of goods and services. As per Goods and Services Tax Act., where a recipient fails to pay to the supplier of goods or services or both, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.

However, GST ITC availed by the Company on such delay cases and the same has not been reversed as stipulated under Goods and Services Tax Act. GST ITC based on outstanding balance as on Balance Sheet date comes out to Rs. 136.03 Lacs which is subject to reversal on which interest liability amounting to Rs. 22.50 Lacs arises. The same has also not been accounted in the Books.

M. **Estimation uncertainty relating to the global health pandemic on COVID-19**

The novel Covid 19 pandemic has globally affected the economic activity including India. The future impact on business due to Covid 19 pandemic cannot be reasonably estimated since it depends on the future developments.

In assessing the recoverability of receivables, inventories and other assets, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

- N. The Company is not required to spend on Corporate Social Responsibility (CSR) related activities during the year.
- O. Balances under Sundry Debtors, Loans and Advances and Creditors are subject to confirmation. The impact of reconciliation, if any, will be given in the year of reconciliation.



- P. In the opinion of Board of Directors, Current Assets have a value on realization at least equal to the amount at which they are stated in Balance Sheet.
- Q. The corresponding previous year figures have been regrouped where necessary to confirm to the presentation of the current year's accounts.

As per our report attached

For and on behalf of the Board

Sharp & Tannan
Chartered Accountants
ICAI registration no.:- 000452N
By the hand of

Rajkumar

Rajkumar Khullar
Partner
Membership No: 092507

[Signature]
Ajay Sikka
Managing Director
DIN: 00665858

[Signature]
Gopika Sikka
Director
DIN: 00665904

[Signature]
Rajat Kathpal
Company Secretary
Redg No: 36236

Place: Jalandhar
Date: 08 DEC 2020



SHARP CHUCKS & MACHINES PVT. LTD.

Formerly SHARP CHUCKS & MACHINES LIMITED
Regd. Office : A-12, Industrial Development Colony, Jalandhar - 144 012 (Pb.)
E-mail : dispatch@sharpchucks.com accounts@sharpchucks.com

GSTIN : 03AACCS0690M1ZB
CIN: U27106PB1994PTC014701

Tel. 0181-2610341 , 2611763
Telefax : 0181-2610344
Website : www.sharpchucks.com

Date:-08.12.2020

Dear Members/Directors/Auditors


You are cordially invited to attend the 26TH Annual General Meeting (the 'AGM') of the members of Sharp Chucks and Machines Private Limited (the 'Company') to be held on Thursday the 31ST day of December, 2020 at 04.30 p.m. at the Registered office of the company at A-12, Industrial Development Colony, Jalandhar.

The Notice of the meeting, containing the business to be transacted is enclosed.

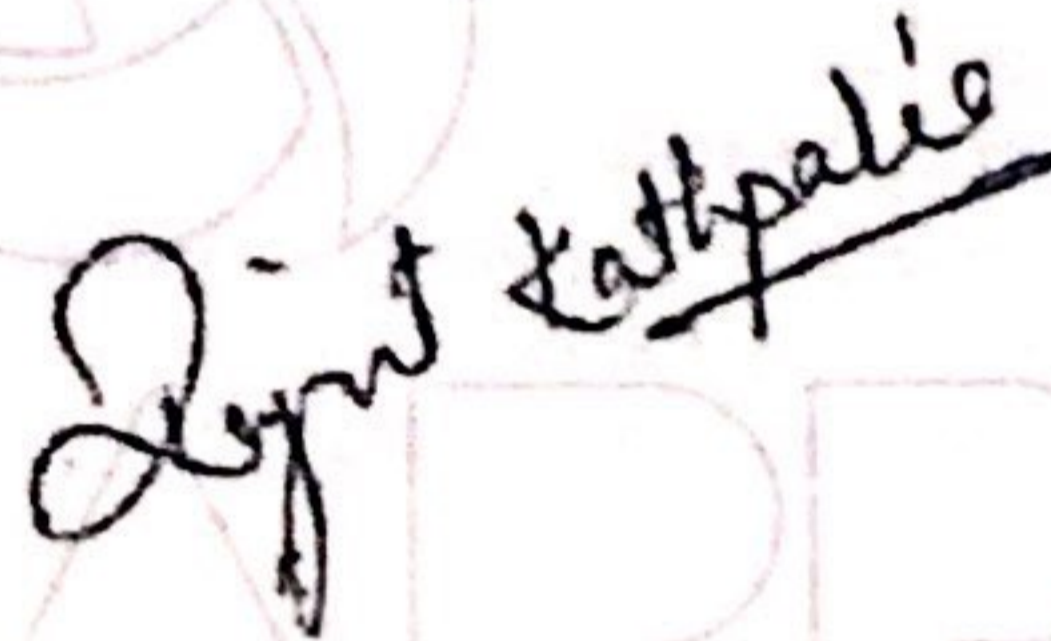
Thanking You

For and on behalf of

Sharp Chucks and Machines Private Limited



Ajay Sikka
(Managing Director)
DIN: 00665858
148, Shakti Nagar, Jalandhar



Rajat Kathpalia
(Company Secretary)
Ph.No.8054604005
Email:-cs@sharpchucks.com



MANUFACTURERS & EXPORTERS OF
"SHARP" PRECISION SELF CENTERING LATHE CHUCKS, DRILL CHUCKS,
INDEPENDENT CHUCKS & CUSTOMISED CASTING

SHARP CHUCKS & MACHINES PVT. LTD.

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Tel. 0181-2610341 , 2611763
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Website : www.sharpchucks.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General meeting of the members of SHARP CHUCKS AND MACHINES PRIVATE LIMITED, JALANDHAR will be held on Thursday , the 31st day of December, 2020 at 04.30 P.M. at the Registered office of the Company i.e. at A-12, Industrial Development Colony, Jalandhar to transact the following business:-

ORDINARY BUSINESS:-

- 1.) To consider and adopt the audited Balance Sheet and statement of Profit and Loss Account for the financial year ended March 31, 2020 with Report of the Board of Directors and Auditors thereon.
- 2.) To ratify the appointment of the Auditors and fix their remuneration

To ratify the appointment of the Auditors, to hold office for 5 consecutive years from the conclusion of 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company subject to the approval of shareholders at the 26th Annual General Meeting and in this regard, to consider and, if thought fit, to pass, with or without modification (s) the following resolution thereof as an Ordinary Resolution.

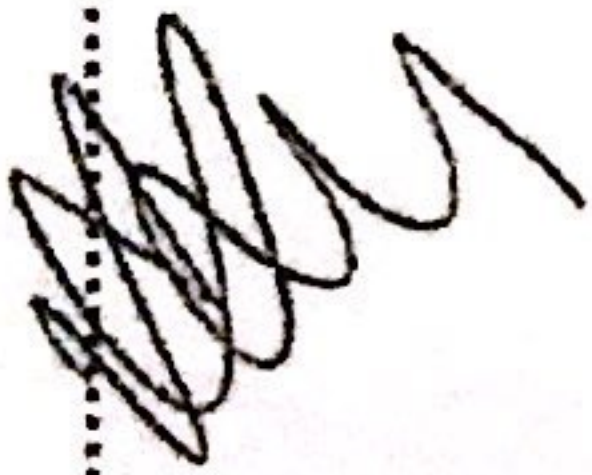
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit & Auditors) Rules, 2014, M/s Sharp & Tannan, Chartered Accountants, 205-207, Ansal Tower, 38, Nehru Place, New Delhi-110019, (Firm Registration No. 000452N), Chartered Accountants, are hereby appointed as Auditors of the Company, to hold office from the conclusion of 25th Annual General Meeting, for five consecutive years until the conclusion of the 30th Annual General Meeting of the Company, be and is hereby approved by the shareholders in this 26th Annual General Meeting of the Company, subject to ratification by the shareholders annually and that they shall be paid such remuneration as fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:-

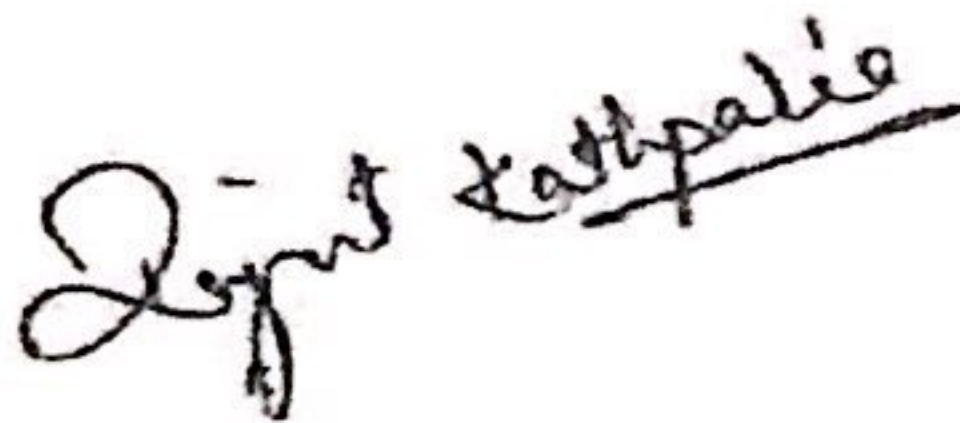
- 3.) To Ratify Remuneration to the Cost Auditor for the F.Y. 2020-21

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. S.K. VERMA & ASSOCIATES Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21 amounting to Rs.70,000 plus applicable tax, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed."

For and on behalf of Board of Directors of
Sharp Chucks & Machines Private Limited



Mr. Ajay Sikka
Managing Director
DIN: 00665858
148, Shakti Nagar, Jalandhar



Mr. Rajat Kathalia
Company Secretary



MANUFACTURERS & EXPORTERS OF
"SHARP" PRECISION SELF CENTERING LATHE CHUCKS, DRILL CHUCKS,
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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

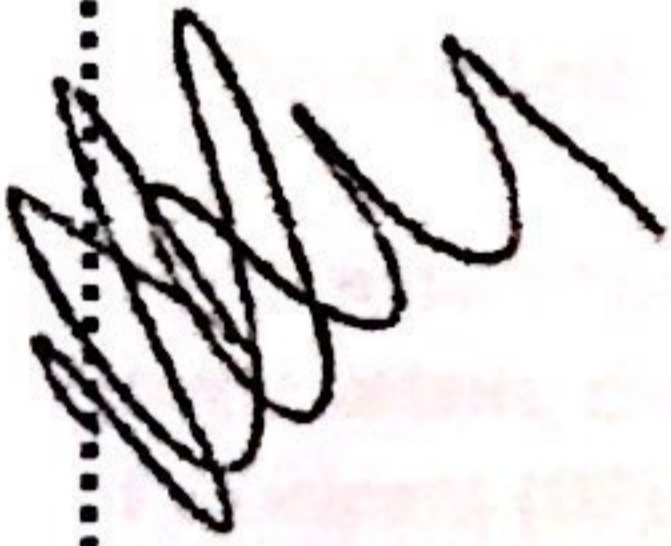
Item No. 3 – Ratification of Remuneration to Cost Auditors for FY 2020-21

The Board has approved the appointment of M/s. S.K. VERMA & ASSOCIATES, Cost Accountants, at a remuneration of Rs.70,000.00/- (Rupees Seventy Thousand only) to conduct the Cost Audit of the Company for the financial year 2020-2021. In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

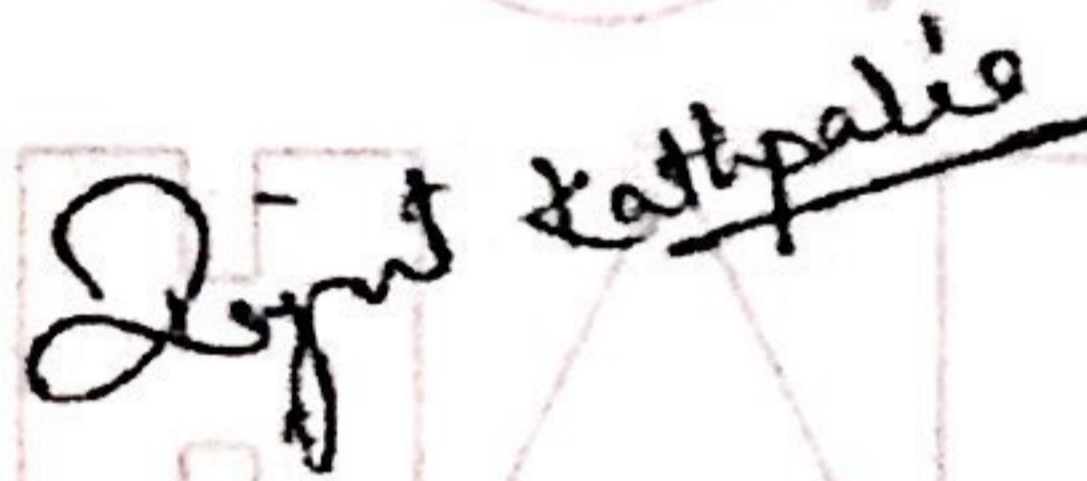
None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

For and on behalf of Board of Directors of
Sharp Chucks & Machines Private Limited



Mr. Ajay Sikka
Managing Director
DIN: 00665858
148, Shakti Nagar, Jalandhar



Mr. Rajat Kathpalia
Company Secretary



MANUFACTURERS & EXPORTERS OF
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Notes:

1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

2) A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3) Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their Folio No.

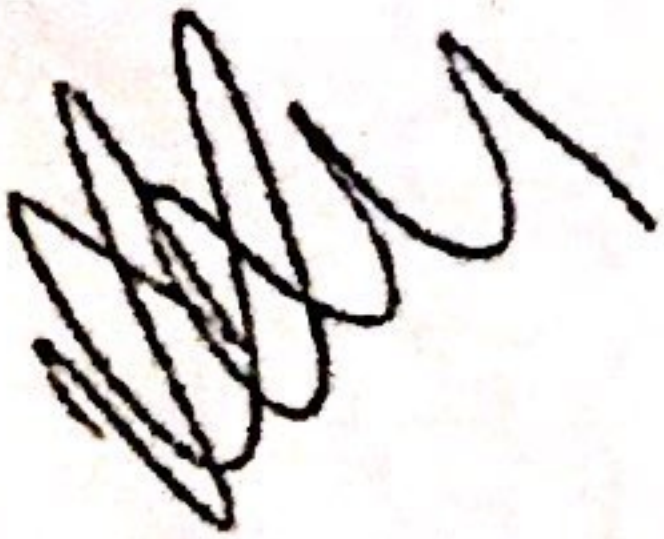
4) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

5) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting

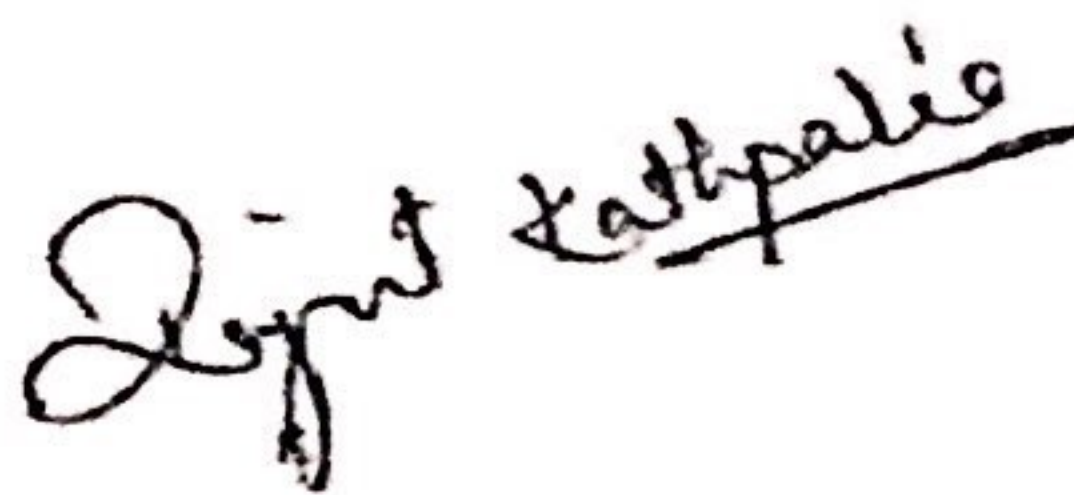
6) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Skyline Financial Services (P) Ltd to provide efficient and better services.

7) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the company a duly certified board resolution authorizing their said representative(s) to attend and vote on their behalf at the meeting.

For and on behalf of Board of Directors of
Sharp Chucks & Machines Private Limited



Mr. Ajay Sikka
Managing Director
DIN: 00665858
148, Shakti Nagar, Jalandhar



Mr. Rajat Kathpalia
Company Secretary



MANUFACTURERS & EXPORTERS OF
"SHARP" PRECISION SELF CENTERING LATHE CHUCKS, DRILL CHUCKS,
INDEPENDENT CHUCKS & CUSTOMISED CASTING

IMPORTANT

1. Audited Financials Accounts & other incidental documents shall be placed before the members at the 26th AGM .
- 2 Please bring duly completed attendance slip at the Annual General Meeting.
- 3 Please note that only shareholders or the approved Proxies would be allowed to attend the Annual General Meeting. (Children/Family/Members/Guests etc.Other than shareholders/approved proxies would not be allowed.)
- 4 No gifts shall be distributed.

SHARP CHUCKS AND MACHINES PRIVATE LIMITED

CIN: U27106PB1994PTC014701

Regd. Office: A-12, INDUSTRIAL DEVELOPMENT COLONY, JALANDHAR-144012, PUNJAB, INDIA.

Tel No: Ph.: 0181-2611763, 2610341 Fax No: 0181-2610344

Website: sharpchucks.com, E.mail: info@sharpchucks.com

RTA: Skyline Financial Services (P) Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020

ATTENDANCE SLIP

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company held at registered office of the Company at Sharp chucks and Machines Private Limited, A-12, Industrial Development Colony, Jalandhar- 144012, Punjab (INDIA) at 04.30 p.m. on Thursday the 31st day of December,2020.

| | | |
|---|--|------------------|
| Name & Address of the Shareholder(s) | DP Id | |
| | Client Id/Regd. Folio. | |
| | No. of Shares Held | |
| If Shareholder(s) please sign here | If Proxy, please mention name and sign here | |
| | Name of Proxy | Signature |
| | | |

Notes:

- (1) Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to Skyline Financial Services Pvt. Ltd., at the above address.

SHARP CHUCKS AND MACHINES PRIVATE LIMITED

CIN: U27106PB1994PTC014701

Regd. Office: A-12, INDUSTRIAL DEVELOPMENT COLONY, JALANDHAR-144012, PUNJAB, INDIA.

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RTA: Skyline Financial Services (P) Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

E-Mail Id:

Folio No. / Client Id:

DP Id:

I/We, being the member(s) of..... shares of the above named Company, hereby appoint

1. Name: Address.....

E-Mail Id:Signature:

2. Name: Address.....

E-Mail Id:Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held at Sharp chucks and Machines Private Limited, A-12, Industrial Development Colony, Jalandhar- 144012, Punjab (INDIA) at 04.30 p.m. on Thursday the 31st day of December,2020.and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

| Ordinary Resolution(s) | For | Against | Abstain |
|---|-----|---------|---------|
| 1. Adoption of the audited Balance Sheet as at and the Financial Statements for the financial year ended on March 31, 2020 and Reports of the Directors and Auditors thereon. | | | |
| 2. To appoint/re-appoint the Auditors and fix their remuneration | | | |
| 3. To Ratify Remuneration to the Cost Auditor for the F.Y. 2020-21 | | | |

Signed thisday of 2020

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

** This is only optional. Please put a 'v' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form. .
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

THIS PORTION IS INTENSTIONALLY LEFT BLANK

SHARP CHUCKS AND MACHINES PRIVATE LIMITED

CIN: U27106PB1994PTC014701

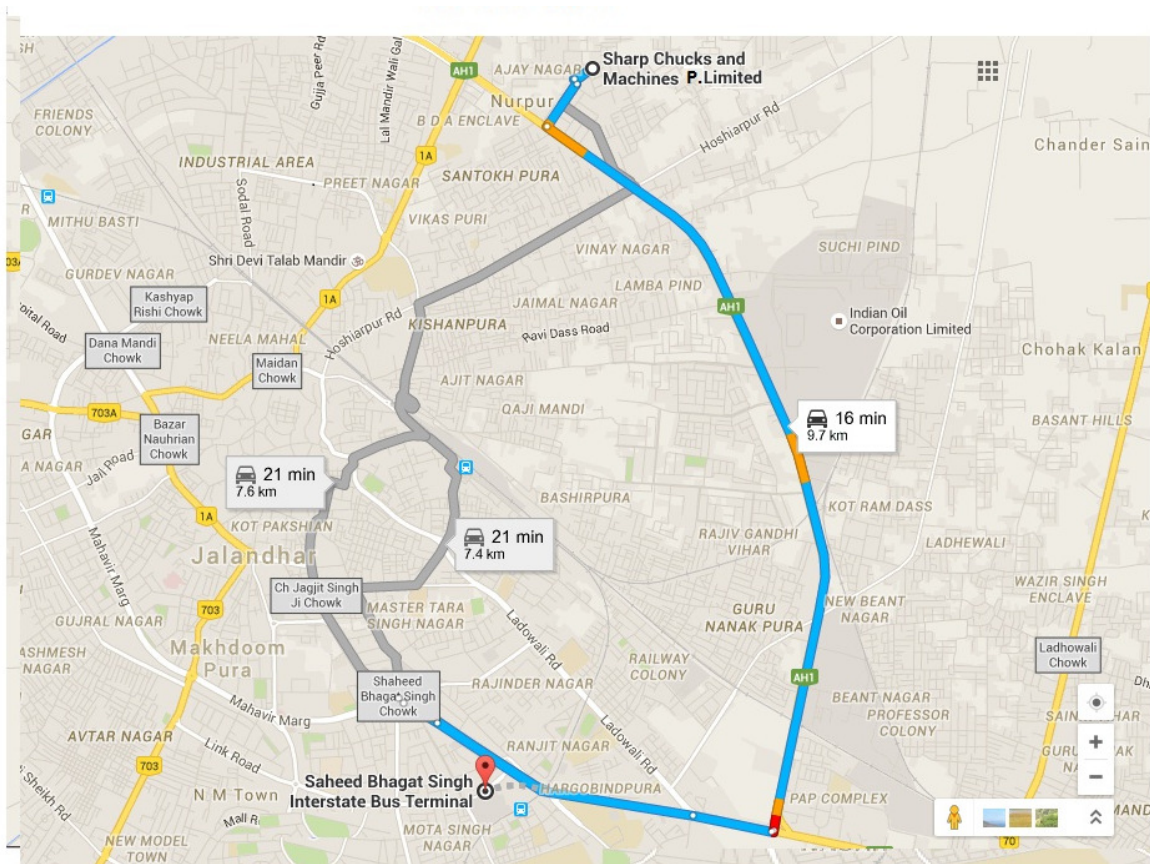
Regd. Office: A-12, INDUSTRIAL DEVELOPMENT COLONY, JALANDHAR-144012, PUNJAB, INDIA.

Tel No: Ph.:- 0181-2611763, 2610341 Fax No: 0181-2610344

Website: sharpchucks.com, E.mail: info@sharpchucks.com

RTA: Skyline Financial Services (P) Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020

ROUTE MAP TO THE COMPANY



SHARP CHUCKS AND MACHINES PRIVATE LIMITED

Regd. off: A-12, INDUSTRIAL DEVELOPMENT COLONY, JALANDHAR

CIN: U27106PB1994PTC014701

Ph.0181-2611763, 2610341

Website:www.sharpchucks.com,Email: cs@sharpchucks.com

Directors' Report

To,

The Members,

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31st, 2020.

1. Financial summary or highlights/Performance of the Company

During the year under review, performance of your company as under:

(Rupees)

| Particulars | 2019-2020 | 2018-2019 |
|--|---------------|---------------|
| Total Revenue | 113,61,21,177 | 106,16,12,001 |
| Profit Before Exceptional & extraordinary items& tax | 4,37,26,285 | 4,01,35,394 |
| Finance Charges | 5,88,52,933 | 5,75,76,627 |
| Provision for Depreciation | 3,57,45,956 | 3,24,71,170 |
| Net Profit Before Tax | 4,37,26,285 | 4,01,35,394 |
| Tax Expense | 1,22,63,357 | 1,36,77,672 |
| Net Profit After Tax | 3,14,62,928 | 2,64,57,721 |
| Balance of Profit brought forward | 3,14,62,928 | 2,64,57,721 |
| Proposed Dividend on Equity Shares | 0 | 0 |
| Tax on proposed Dividend | 0 | 0 |

The Company in the reporting year too achieved continuous trend of growth in terms of revenue. The Company has achieved total revenue of Rs.113.61 Crores as compared to Rs.106.61 crores in the previous year , whereas the company achieved profit (before tax) of Rs.4.37 crores as compared to Rs.4.01 crores. With effectiveness in the operations your company has managed commercial operations in much cost effective way resulting into more profit to the company in the reporting year. Your Company is eyeing a significant growth in the coming year with the good response of the Tractor Industry in the market.

2. Dividend

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review.

3. Reserves

Amount of Rs.20,00,000 is transferred for the current year to the Balance Sheet during the financial year ended March 31, 2020.

4. Brief description of the Company's working during the year

For the year under review, the business operations of the Company Sharp Chucks & Machines Pvt.Ltd (hereinafter referred as 'Company' or 'SHARP' comprise of Casting ,Forging and Machine Tools & Accessories divisions. This segmentation forms the basis for review of operational performance by the management.

a. Segment-wise operational performance

CASTING:

The reporting year 2019-2020, the casting operations of the company continuously added major of the revenue to the company .The casting operations deliberately performed utmost with sound orders despite quickly changing industry conditions in the second half of the year, our team stayed focused and continued to execute on our long term strategy for profitable growth.

The significant cost reduction in both variable and fixed costs helped to achieve better results. Significant tooling improvements , identifying and developing suppliers for critical traditionally in-house parts helped the Company optimise capital expenditure in FY20. Significant focus was placed on operational improvement in the areas of robustness in manufacturing process, cost reduction and effective tool management, which resulted in reduction of manufacturing cost. Specific initiatives were executed to improve the availability of the machines and cycle time reduction in Casting and Machining to improve productivity. These initiatives helped to improve the capacity enhancement with existing assets.

Your company has catered Railways this year too with regular order, moreover the company is aggressively working on development of major safety articles of the Railways. Your company has

targeted existing Vendors & new vendors by regular NPD's adding to the core value to the company SHARP and will add number of new products to widen its product base .

FORGING:

The Forging division in the reporting year 19-20 has performed well catering domestic as well as international markets , there were new developments in the range of Striking Tools , hand tools . Moreover company was able to get sound orders from M &M Ltd, Swaraj Engines Ltd.The Management is aggressively working on addition new products specially designed to cater International Tractors Limited(Sonalika). However under this COVID Pandemic 2019, international trade will suffer in the coming times , so the Company is planning to cater more of the domestic markets on all India Pan basis.

MACHINE TOOLS & ACCESSORIES:

Your company in reporting year in the Machine Tools Division has performed satisfactory despite little recession in the market. SHARP brand continues to hold dominant position on PAN India basis.Sound International orders has been with the company all around the year .Special focus has been given in order to perform operations cost efficiently .The Management will lead the same objectives for the coming years also.

EXPORTS:

The Company continues to strive regular growth in the Export division , the exports revenue has been increased by approx.30% as compared to the previous year.The Management has been working developing new articles to cater as more as new international clients . The range of the striking/ hand tools has been growing with potential of acquiring good market share of the domestic as well as international market with concentration to reduce operational costs and to accumulate good share of profits .The world is witnessing the COVID Pandemic 2019,it will be hard to excel in the international trade as the trade between countries has been deliberately hit by lockdowns and other obligations.

FUTURE PROSPECTS:

As our industry evolves, SHARP is delivering innovative solutions to our customers that support their top priorities including energy efficiency and sustainability. In doing so, we have demonstrated our ability to counter the effects of short term market dynamics while remaining focused on meeting and exceeding our customer needs. We continue to make significant progress on designing, developing and manufacturing advanced technology solutions that support our customers' increasingly complex requirements. We are strengthening our product and process technology capabilities as we expand our portfolio to serve the fast-growing commercial vehicle segment. We are also pursuing new opportunities in the white goods sector,

which offers significant growth for our existing product range and its inherent competitive advantages versus traditional offerings.

QUALITY RECOGNITIONS:

The Company has received certification for **ISO/TS 16949:2016 standards, ISO 9001:2015 and SOCIAL ACCOUNTABILITY SYSTEM SA 8000:2014** Certification.

5. Change in the nature of business, if any

No Change in the nature of the business of the Company done during the year.

6. Material changes and commitments, if any, 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.

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

7. 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 were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use. The Company's internal controls are supplemented by an extensive programme of internal audit, review by management and documented policies, systems support, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data.

9. Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company .

10. Deposits

The Company has neither accepted nor renewed any deposits during the year under review. However there are unsecured loans from Directors amounting to Rs.1.32 crores .

11. Statutory Auditors

M/s Sharp & Tannan , Chartered Accountants,205-207, Ansal Tower 38, Nehru Place New Delhi-110019 (Firm Registration No. 000452N) has been reappointed as Statutory Auditors for a period of 5 years for FY 2019-2024.

12. Internal Auditors

M/s R.P. Gupta & Associates, Chartered Accountants ,Jalandhar has been appointed as the Internal Auditors of the company for the period of years from Financial Year 2020-2021 .

13. Auditors' Report

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

14. Share Capital

A) Issue of equity shares with differential rights

The Company has not issued any Equity Shares with differential rights during the year under review.

B) Issue of sweat equity shares

The Company has not issued any Sweat Equity Shares during the year under review.

C) Issue of employee stock options

The Company has not provided any Stock Option Scheme to the employees.

15. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure A and is attached to this report.

16. Extract of the annual return

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure B and is attached to this Report.

17. Corporate Social Responsibility (CSR)

Since the Company is not falling under any criteria specified in sub-section (1) of section 135 of the Act, your Company is not required to constitute a Corporate Social Responsibility ("CSR") Committee .

18. Directors:

A) Changes in Directors and Key Managerial Personnel

During the period under review , the constitution of the Board remained unchanged .

19. Cost Auditor

The Board of Directors has appointed M/s S.K. VERMA & ASSOCIATES, Cost Accountants as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2019-20 pursuant to Section 148 of the Companies Act, 2013

19. Number of meetings of the Board of Directors& Details of last Annual General Meeting

Dates of the Board Meetings are:-

| SN | ATTENDED BY (NAME OF DIRECTORS) | BOARD MEETING DATE |
|----|---|--------------------|
| 1 | Mr.Ajay Sikka,Mrs.Gopika Sikka | 29.06.2019 |
| 2 | Mr.Ajay Sikka,Mrs.Gopika Sikka& Mr.Mahendra Lodha | 01.07.2019 |
| 3 | Mr.Ajay Sikka,Mrs.Gopika Sikka& Mr.Mahendra Lodha | 30.09.2019 |
| 4 | Mr.Ajay Sikka,Mrs.Gopika Sikka &Mr.Mahendra Lodha | 26.12.2019 |

Dates of Last Annual general Meeting:- Annual General Meeting for FY 2018-2019 was held on 30.09.2019.

20. Audit Committee

The Company being a Private Limited Company, provisions of Section 177 of the Companies Act, 2013 were not applicable.

21.Changes in Share Capital

During the Financial Year 2019-20, there was no change in the Share Capital of the company.

22. Particulars of loans, guarantees or investments under section 186

The company has not given any loan, guarantees or has not made any investments.

23. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is disclosed in Form No. AOC-2.As Annexure C.

24.Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition &Redressal) Act, 2013

There was no case filled during the year, under the sexual harassment of women at workplace (Prevention, Prohibition &Redressal) Act, 2013. Further Company ensures that there is a healthy and

safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

As per notification dt. 31/07/2018 of the Ministry of Corporate Affairs by which amended the Companies (Accounts) Rules 2014 issued under section 134 of the Companies Act, 2013 it is stated as under "The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of women at work place (Prevention, Prohibition &Redressal) Act, 2013"

25. Managerial Remuneration:

None of the employee of your company, who was employed throughout the financial year, was in receipt of remuneration in aggregate of sixty lakh rupees or more or if employed for the part of the financial year was in receipt of remuneration of five lakh rupees or more per month.

26. Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

27. Details of establishment of vigil mechanism for directors and employees

The Company has implemented vigil mechanism for the directors & employees.

28. Corporate Governance Certificate

The requirement of obtaining a Corporate Governance Certificate is not applicable to the Company.

29. Risk management policy

The Company being a Private Limited Company is not under the purview for constituting Risk management committee under the provisions of listing agreement

30. Web address

Web address of the company is www.sharpchucks.com.

31. Maintenance of cost Records.

Cost records have been maintained by the company.

32. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) in the preparation of the annual accounts, 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 the end of the financial year and of the profit and loss 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;

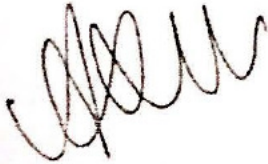
(d) the directors had prepared the annual accounts on a going concern basis; and

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

33. Acknowledgements

Your Directors' wishes to place on record its sincere thanks to all the Customers, Suppliers, Bankers and Central and State Government Authorities for extending support to your Company. The Board also places on record its sincere appreciation of the contribution made by all the stakeholders for placing their faith and trust on the Board.

**By Order of the Board of Directors
For Sharp Chucks & Machines Private Limited**



Mr. Ajay Sikka
Designation: Managing Director
DIN :00665858
Address: 148,Shakti Nagar,Jalandhar
Date :08.12.2020
Place: Jalandhar



Mrs. Gopika Sikka
Designation: Director
DIN :00665904
Address: 148,Shakti Nagar,Jalandhar

For Sharp Chucks & Machines Ltd.



Mg. Director

ANNEXURE 'A' to DIRECTORS' REPORT

Forming Part of the Directors' Report

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

Energy conservation continues to be an area of focus for SHARP. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices. The key initiatives toward conservation of energy were:

- Energy savings through Auto Power saving features in machines.
- Zero water loss cooling towers for the utility areas
- Optimised usage of DG sets and Air compressors.
- Conventional lighting modified by LED.
- Setting internal targets for energy performance improvement and institution of rigorous operational controls toward achieving these targets;
- Creating awareness amongst associates on energy conservation through campaigns and events;
- No specific investment has been made in reduction in energy consumption.

B. Technology Absorption, Adaptation & Innovation

The Companies (R&D) has been continuously putting effort to develop new products for new applications to Commercial Vehicle & Tractor segments. The Company is committed to introducing new products and improving existing products to have better performance levels. During the year the Company has developed large quantity of new components for these segments. The Company is doing many research activities in the areas of new material development, component weight reduction, yield improvement, core weight reduction, process design, process improvement etc.

Benefits derived as a result of R & D:

- (a) Market expansion and improved competitive position through significantly improved products for new markets.
- (b) New opportunities in global markets by through the new capabilities developed.
- (c) Improved competency for designing process & products for global customers.
- (d) Reduced product development lead time and improved product quality due to advancement of simulation capabilities.
- (e) Improvement of existing products to achieve higher yield, better productivity & more consistent quality

Future plan of action:

- (i) Continued expansion of the product range to serve the local and global market needs.
- (ii) New materials development for innovative next generation products
- (iii) Develop new processes technologies to improve the product quality and performance.
- (iv) To co-develop components closely with our customers to improve product performance & manufacturability

C. Details of Import of Technology

During the 2019-20, the company has not imported any new Technology.

D. Foreign Exchange Earnings and Outgo

The information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Financial Statements.

E. INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels

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

Companies (Accounts) Rules, 2014.

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 arms length transaction under third proviso thereto.

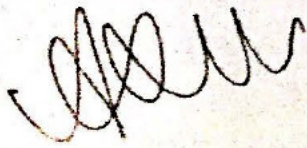
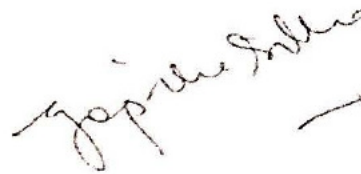
1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------|
| | Name (s) of the related party & nature of relationship | NIL |
| | Nature of contracts/arrangements/transaction | NIL |
| | Duration of the contracts/arrangements/transaction | NIL |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | NIL |
| | Justification for entering into such contracts or arrangements or transactions' | NIL |
| | Date of approval by the Board | NIL |
| | Amount paid as advances, if any | NIL |
| | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NIL |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------|
| | Name (s) of the related party & nature of relationship | NIL |
| | Nature of contracts/arrangements/transaction | NIL |
| | Duration of the contracts/arrangements/transaction | NIL |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | NIL |
| | Date of approval by the Board | NIL |
| | Amount paid as advances, if any | NIL |

**By Order of the Board of Directors
For Sharp Chucks & Machines Private Limited**

Mr. Ajay Sikka
Designation: Managing Director
DIN :00665858
Address: 148,Shakti Nagar,Jalandhar
Date :08.12.2020
Place: Jalandhar

Mrs. Gopika Sikka
Designation: Director
DIN :00665904
Address: 148,Shakti Nagar,Jalandhar

For Sharp Chucks & Machines Ltd.



Mg. Director

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

ANNEXURE-C

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | U27106PB1994PTC014701 |
| 2. | Registration Date | 10/06/1994 |
| 3. | Name of the Company | SHARP CHUCKS AND MACHINES Private Limited |
| 4. | Category/Sub-category of the Company | LIMITED BY SHARES |
| 5. | Address of the Registered office & contact details | A-12, INDUSTRIAL DEVELOPMENT COLONY, JALANDHAR, PUNJAB-144012 |
| 6. | Whether listed company | NO |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | SKYLINE FINANCIAL SERVICES PVT.LTD, D-153A,1 ST FLOOR,OKHLA FINANCIAL SERVICES,PHASE – I, NEW DELHI-110020 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Casting of iron and steel | 2431 | 82 |
| 2. | Forging of Metal | 2591 | 10 |

VI. 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 01.04.2019 | | | | No. of Shares held at the end of the year 31.03.2020 | | | | % Change during the year * |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|----------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter s | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 6386775 | | 6386775 | 65.28 | 6386775 | | 6386775 | 65.28 | 0.00 |
| b) Central Govt | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corp. | | | | | | | | | |
| e) Banks / FI | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Total shareholding of Promoter (A) | 6386775 | | 6386775 | 65.28 | 6386775 | | 6386775 | 65.28 | 0.00 |
| | | | | | | | | | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | 1928516 | | 1928516 | 19.71 | 1928516 | | 1928516 | 19.71 | ----- |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| | | | | | | | | | |
| Sub-total | 1928516 | | 1928516 | 19.71 | 1928516 | | 1928516 | 19.71 | ----- |

| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2019 | | | | No. of Shares held at the end of the year 31.03.2020 | | | | % Change during the year * |
|--|---|----------|---------|-------------------|---|----------|---------|-------------------|----------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (B)(1):- | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | | | | | | | | | |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1469017 | | 1469017 | 15.01 | 1469017 | | 1469017 | 15.01 | 0.00 |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | | | | | | | | | |
| Overseas Corporate Bodies | | | | | | | | | |
| Foreign Nationals | | | | | | | | | |
| Clearing Members | | | | | | | | | |
| Trusts | | | | | | | | | |
| Foreign Bodies - D R | | | | | | | | | |
| Sub-total (B)(2):- | 1469017 | | 1469017 | 15.01 | 1469017 | | 1469017 | 15.01 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2019 | | | | No. of Shares held at the end of the year 31.03.2020 | | | | % Change during the year * |
|--|---|----------|---------|-------------------|---|----------|---------|-------------------|----------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 3397533 | | 3397533 | 34.72 | 3397533 | | 3397533 | 34.72 | ----- |
| C. Shares held by Custodian for GDRs & ADRs | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Grand Total (A+B+C) | 9784308 | | 9784308 | 100 | 9784308 | | 9784308 | 100 | ----- |

C) Change in Promoters' Shareholding PERCENTAGE (please specify, if there is no change)

| SN | Particulars | 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 |
| | At the beginning of the year | 6386775 | 65.28 | 6386775 | 65.28 |
| | 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 | 6386775 | 65.28 | 6386775 | 65.28 |

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SN | For Each of the Top 10 Shareholders | 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 |
| | At the beginning of the year | ----- | ----- | ----- | ----- |
| | 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 | ----- | ----- | ----- | ----- |

E) Shareholding of Directors and Key Managerial Personnel:

| SN | <i>Shareholding of each Directors and each Key Managerial Personnel</i> | 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. | MR.AJAY SIKKA S/o Sh.RamParkashSikka R/o 148-Shakti Nagar, Jalandhar (Managing Director) | | | | |
| | At the beginning of the year | 4050920 | 41.40 | 4050920 | 41.40 |
| | 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 | 4050920 | 41.40 | 4050920 | 41.40 |

| SN | Shareholding of each Directors and each Key Managerial Personnel | 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 |
| 2. | MRS. GOPIKA SIKKA W/o MR. AJAY SIKKA R/o 148-Shakti Nagar, Jalandhar (Whole Time Director) | | | | |
| | At the beginning of the year | 1767170 | 18.06 | 1767170 | 18.06 |
| | 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 | 1767170 | 18.06 | 1767170 | 18.06 |

F) INDEBTEDNESS -Indebtedness of the Company.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | 44,47,95,458 | 2,22,02,195 | | 46,69,97,653 |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |
| Change in Indebtedness during the financial year | | | | |
| * Addition | | | | |
| * Reduction | | | | |
| Net Change | 33240130 | 10,20,000 | | 34260130 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 47,80,35,588 | 2,32,22,195 | | 501257783 |

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

| SN. | Particulars of Remuneration | | | |
|-----|---|--------------------------------|--|----------------------|
| | | MR.AJAY SIKKA (MG.DIRECTOR) | MRS.GOPIKA SIKKA(WHOLE TIME DIRECTOR) | Total Amount(In Rs.) |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 18,00,000 | 9,00,000 | 27,00,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | ----- | ----- | ----- |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | ----- | ----- | ----- |
| 2 | Stock Option | ----- | ----- | ----- |
| 3 | Sweat Equity | ----- | ----- | ----- |
| 4 | Commission - as % of profit - others, specify... | ----- | ----- | ----- |
| 5 | Others, please specify | ----- | ----- | ----- |
| | Total (A) | 18,00,000 | 9,00,000 | 27,00,000 |
| | Ceiling as per the Act | NA | NA | NA |

B. Remuneration to other directors

| S N. | Particulars of Remuneration | Total Amount | | | |
|---------|--|--------------|------|--|------|
| | | | | MR.MAHENDRA LODHA(NOMINEE DIRECTOR) | |
| 1 | Independent Directors | | | | |
| | Fee for attending board committee meetings | ---- | ---- | ---- | ---- |
| | Commission | | | | |
| | Others, please specify | | | | |
| | Total (1) | ---- | ---- | ---- | ---- |
| 2 | Other Non-Executive Directors | | | | |
| | Fee for attending board committee meetings | ---- | ---- | ---- | ---- |

| | | | | | |
|--|--------------------------------|------|------|------|------|
| | Commission | | | | |
| | Others, please specify | | | | |
| | Total (2) | ---- | ---- | ---- | ---- |
| | Total (B)=(1+2) | ---- | ---- | ---- | ---- |
| | Total Managerial Remuneration | ---- | ---- | ---- | ---- |
| | Overall Ceiling as per the Act | ---- | ---- | ---- | ---- |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

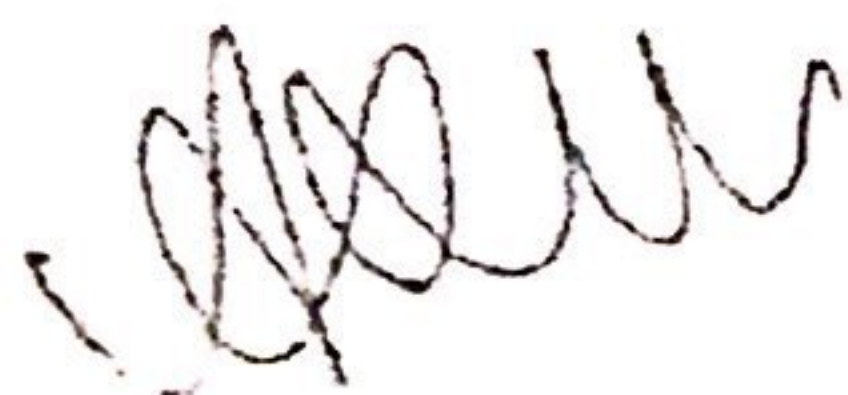
| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|----------|-------|----------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NA | 3,44,550 | NA | 3,44,550 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | ---- | ----- | ----- | ----- |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | ---- | ----- | ----- | ----- |
| 2 | Stock Option | ---- | ----- | ----- | ----- |
| 3 | Sweat Equity | ---- | ----- | ----- | ----- |
| 4 | Commission | ---- | ----- | ----- | ----- |
| | - as % of profit | ---- | ----- | ----- | ----- |
| | others, specify... | ---- | ----- | ----- | ----- |
| 5 | Others, please specify | ---- | ----- | ----- | ----- |
| | Total | NA | 3,44,550 | NA | 3,44,550 |

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

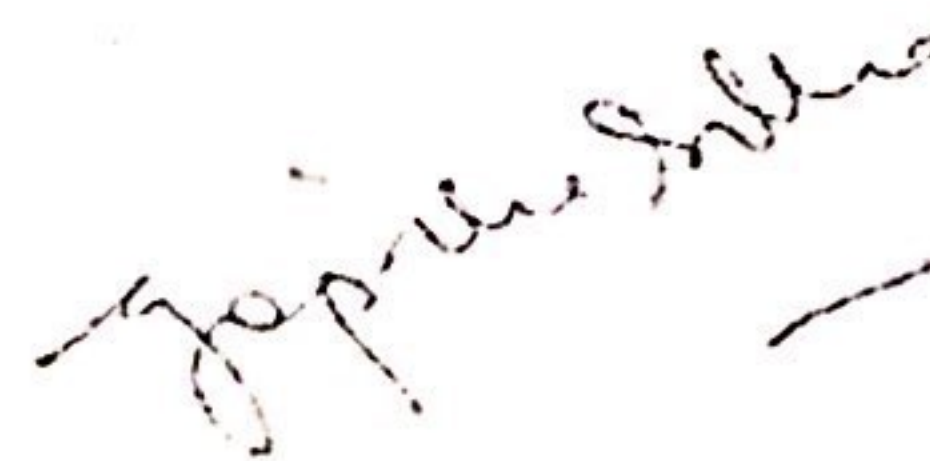
| Type | Section of the Companies Act,1956/2013 | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---------------------|--|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |

| | | | | | |
|-------------------------------------|-----|-----|-----|-----|-----|
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

**By Order of the Board of Directors
For Sharp Chucks & Machines Private Limited**



Mr. Ajay Sikka
Designation: Managing Director
DIN :00665858
Address: 148,Shakti Nagar,Jalandhar



Mrs. Gopika Sikka
Designation: Director
DIN :00665904
Address: 148,Shakti Nagar,Jalandhar