

# 58<sup>th</sup>

## *Annual Report*

**2020 – 2021**



**Manipal Industries Ltd.**

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Regd. Office: Manipal House, Manipal – 576 104, Karnataka



# Manipal Industries Limited

**Directors:**

Sri T. ASHOK PAI  
Sri T. RAJESH PAI  
Sri NAGARAJ ACHAR  
Sri KRISHNARAJ RAO

**Technical Director**

Sri T. HARISH PAI

**Registered Office:**

MANIPAL HOUSE  
MANIPAL – 576 104  
(KARNATAKA STATE)  
CIN: U45201KA1961PLC001430  
Phone: 0820-2575949 Fax: 2575910 Email: milmanipal@msn.com  
www.manipalindustries.in

**Units:**

GENERAL CONSTRUCTION COMPANY  
WESTERN ROADWAYS  
MARKETING DIVISION

**Branches:**

MANGALORE  
UDUPI

**Bankers:**

CANARA BANK  
HDFC BANK LTD.  
MANIPAL CO-OPERATIVE BANK LTD.  
ICICI BANK LTD.  
IDBI BANK LTD.  
AXIS BANK LTD.  
KARNATAKA BANK LTD.

**Auditors:**

M/s PAI NAYAK & ASSOCIATES  
Chartered Accountants  
Raaj Towers  
Near City Bus Stand  
UDUPI – 576 101



## NOTICE

*NOTICE* is hereby given that the 58<sup>th</sup> ANNUAL GENERAL MEETING of the members of MANIPAL INDUSTRIES LTD., will be held on Thursday, the 30<sup>th</sup> September, 2021 at 4.00 p.m. at the Company's Regd. Office: "Manipal House", Manipal – 576 104 Udipi District, Karnataka to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2021 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri T. Ashok Pai (DIN: 00104379), Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri Krishnaraj Rao (DIN: 02677442), Director who retires by rotation and being eligible, offers himself for reappointment.

By Order of the Board

Registered Office:  
'Manipal House'  
Manipal – 576 104  
28<sup>th</sup> August, 2021

Sd/-  
**(T. Harish Pai)**  
Technical Director  
DIN : 00332817

### NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norms and pursuant to the General Circular No. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs (collectively "**MCA Circulars**") read with and in compliance with the applicable provisions of the Companies Act, 2013 the 58<sup>th</sup> Annual General Meeting ("AGM") of the Company is being held in physical mode following the advisories issued from the Authorities concerned including physical distancing, wearing mask, sanitization etc.
2. Pursuant to MCA Circular No.14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25.09.2021 to 30.09.2021 (both the days inclusive).
4. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. The Ministry of Corporate Affairs ('MCA') has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The details of the unpaid/unclaimed dividend amounts lying with the Company as on September 30, 2019 are available on Ministry of Corporate Affairs' website. The shareholders whose dividend / shares as transferred / may transfer to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed at the website of IEPF Authority



<http://iepf.gov.in/IEPFA/refund.html>. Members who have not encashed their dividend pertaining to Financial Year 2012-13 onwards are requested to write to the Company immediately claiming dividends declared by the Company. Members are requested to contact the Company at its Registered Office Address to encash the unclaimed dividend.

6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27.09.2021 at 9.30 a.m. and ends on 29.09.2021 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 23.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  - (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (xx) Note for Non-Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help Section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
7. Members holding shares in single name and in physical form are advised to make a nomination in Form SH-13 in respect of their shareholding in the Company.

By Order of the Board

Registered Office:  
'Manipal House'  
Manipal – 576 104  
28<sup>th</sup> August, 2021

Sd/-  
**(T. Harish Pai)**  
Technical Director  
DIN : 00332817



## BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 58<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

### 1. Financial summary or highlights/performance of the Company:

- A. The following table brings out the standalone financial performance of the Company during the F.Y. 2020-21:

(₹ Lakhs)

Particulars	2020-21	2019-20
Total Revenue	3,594.54	5,116.71
Profit Before Finance Costs and Depreciation	137.90	116.74
Finance Costs	3.91	5.78
Depreciation	7.10	7.24
Net Profit Before Tax	126.89	103.72
Provision for Current Tax & Deferred Tax	23.62	26.19
Net Profit After Tax	103.27	77.53
Balance of Profit brought forward	726.39	669.86
Balance available for appropriation	829.66	747.39
Dividend paid on Equity Shares	0	17.42
Tax on Dividend paid	0	3.58
Surplus carried to Balance Sheet	829.66	726.39

- B. The following table brings out the consolidated financial performance of the Company during the F.Y. 2020-21:

(₹ Lakhs)

Particulars	2020-21	2019-20
Total Revenue	3,594.54	5,117.10
Profit Before Finance Costs and Depreciation	137.74	116.94
Finance Costs	3.91	5.78
Depreciation	7.10	7.24
Net Profit Before Tax	126.73	103.92
Provision for Current Tax & Deferred Tax	23.62	26.22
Net Profit After Tax	103.11	77.70
Loss from Associate Company	(1.37)	(2.54)
Profit for the year (consolidated)	101.74	75.16
Balance of Profit brought forward	746.43	692.27
Balance available for appropriation	848.17	767.43
Dividend paid on Equity Shares	0	17.42
Tax on Dividend paid	0	3.58
Surplus carried to Balance Sheet	848.27	746.43



## 2. Impact of COVID-19:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slow down of economic activities in the country. The Company, however, believes strongly that its offerings to the customer would not significantly impact its revenues.

- The impact on future revenue streams could come from lower sales of Petrol, HS Diesel & Lubricants, Electrical items, Construction Materials and also from Construction revenue. The Company expects the revenue to be back to the existing levels post the pandemic. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.
- The Company has analysed its liquidity position and the recoverability and carrying value of its assets comprising property, plant and equipment, investment, advances, trade receivables, deferred taxes, other assets etc. Further the whole of the borrowing from Bank, is secured against pledge of Bank Term Deposits and accordingly there will not be any repayment obligations of Bank Borrowings. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the aforesaid assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these standalone financial statements.
- Due to the uncertain nature of the pandemic, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

## 3. Brief description of the Company's working during the year/State of Company's affair:

Your Directors are pleased to state that your Company has shown good performance during the year under report. The Profit before Exceptional and Extraordinary Items, Tax and provisions is ₹83.00 Lakhs in comparison with ₹101.94 Lakhs in the immediate previous year. All the divisions have registered satisfactory results.

## 4. Change in the nature of business, if any:

The Company's nature of business is not changed.

## 5. Dividend:

Considering the impact of COVID-19 Pandemic on business operations, it is necessary for the Company to conserve cash reserves. The Board of Directors of the Company have decided not to recommend any Dividend for the financial year 2020-21. For the information with respect to Dividend distributed during the preceding financial year ending 31.03.2020, please refer Note 2.02 of Standalone Financial Statement.

## 6. Share Capital:

The paid-up Share Capital as on 31<sup>st</sup> March, 2021 was ₹1,74,21,960/-. Further, the Company has not issued any shares and also no shares have been issued with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

## 7. Dematerialisation of Shares:

Your Company's ISIN Number(s) for extending the shareholders an option of holding their investment in the Company through Demat form are INE0BK101010 (for fully paid shares) and IN90BK101018 (for partly paid shares). The Company has also appointed M/s BgSE Financials Limited, as Share Transfer Agents for electronic segment. The Shareholders are advised to approach the Depository Participants (DPs) which is linked to National Securities Depository Limited (NSDL) to convert their shares into Demat form. As on the date of this report 389815 Equity Shares forming 17.34% of the share capital of the company stands dematerialised.

## 8. Change of Name:

The Company has not changed its name.

## 9. Directors and Key Managerial Personnel:

Sri T. Ashok Pai (DIN: 00104379) and Sri Krishnaraj Rao (DIN: 02677442) Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. Details of remuneration paid to the Directors and Key Managerial Personnel are given in Form MGT-7 which is available on the Company's website [www.manipalindustries.in](http://www.manipalindustries.in) (link: [www.manipalindustries.in/AnnualReturn2021](http://www.manipalindustries.in/AnnualReturn2021)).



## **10. Particulars of Employees:**

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Particulars of top ten employees of the Company, in terms of remuneration drawn during the year 2020-21 presented as an Annexure to the Director's Report during the Board meeting is preserved separately and the same will be furnished to any shareholder on request made to the Company in writing.

## **11. Meetings:**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year four Board Meetings were convened and held on 30.06.2020, 03.09.2020, 15.12.2020 and 15.03.2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **12. Declaration by an Independent Director(s) and reappointment, if any:**

The Provisions of Section 149 pertaining to appointment of Independent Directors do not apply to our Company.

## **13. Details of Subsidiary/Joint Ventures/Associate Companies:**

The Consolidated Financial Statements of the Company and its subsidiaries and associates, prepared in accordance with Accounting Standard 21 and 23 of Companies (Accounting Standards) Rules, 2006, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Annual Accounts of the subsidiaries/associates and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary/associate companies and will be available to investors seeking information at any time.

Salient features of financial statements of subsidiary/associate companies pursuant to Section 129(3) of the Companies Act, 2013 have been covered in the Financial Statements in Form AOC-1.

## **14. Auditors:**

M/s Pai Nayak & Associates, Chartered Accountants, Udupi (Firm Regn. No. 009090S), was appointed as Statutory Auditors of the Company for the period of five years commencing from the conclusion of 56<sup>th</sup> Annual General Meeting held on 30.09.2019 till the conclusion of 61<sup>st</sup> Annual General Meeting of the Company to be held in the year 2024.

## **15. Auditors' Report:**

The Independent Auditors' Report does not contain any qualification/observations. However, observations made by the Auditors under Emphasis of Matter/other matters of Report on Standalone and Consolidated Financial Statement are self explanatory, read with Notes to Financial Statement mentioned therein.

## **16. Risk Management:**

Your Company recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner.

Your Company through its risk management process strives to contain impact and likelihood of the risks from time to time.

## **17. Extract of Annual Return:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of annual return in MGT-7 is available on the Company's website [www.manipalindustries.in](http://www.manipalindustries.in) (link: [www.manipalindustries.in/Annual\\_Return2021](http://www.manipalindustries.in/Annual_Return2021)). As per provisions of Section 134(3)(a) of the Companies Act, 2013 the Annual Return for financial year 2020-21 is placed on website of the company i.e. [www.manipalindustries.in](http://www.manipalindustries.in).

## **18. Related Party Transactions:**

All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). There were no materially significant Related Party Transactions made by the Company during the year that would have required.

Form AOC-2 pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith.





**19. Conservation of energy, technology absorption and foreign exchange earnings and outgo:**

The company did not have any activity in relation to conservation of energy or technology absorption. The company had no foreign exchange earnings or outgoings during the year under report.

**20. Corporate Social Responsibility (CSR):**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**21. Directors' Responsibility Statement:**

Your Directors hereby report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, that –

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors have 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 have 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 have prepared the annual accounts on a going concern basis; and
- (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**22. Transfer of Amounts to Investor Education and Protection Fund:**

In accordance to the applicable provisions of Section 124 and 125 of the Companies Act, 2013 (the Act) and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments hereof, the relevant dividend amounts which remain unpaid and unclaimed for a period of seven years have been transferred to the Investor Education and Protection Fund. Further shares in respect of which dividend has not been encashed by the Members during the last seven years, from the date of transfer to the unpaid dividend account of the Company, has been transferred to the designated Suspense Account as prescribed by the IEPF Authority during the year.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 30.09.2019), with the Ministry of Corporate Affairs.

**23. Particulars of Loans, Guarantees, Securities or Investments under Section 186:**

Particulars of Investments and loan made by the Company are provided in the financial statements vide Note Nos. 9A and 13 read with sub-notes therein respectively.

The Company has not given guarantee or provided any securities as covered under the provisions of Section 186 of the Companies Act, 2013.

**24. General:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Loans, guarantees or investments under Section 186.
5. Whole-Time Director of the Company did not receive any remuneration or commission from its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operations in future.
7. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013.



**25. Conservation of Energy, Technology Absorption : Nil**

**26. Foreign exchange earnings and outgo : Nil**

**27. Acknowledgements:**

Your Directors wish to place on record their appreciation and deep sense of gratitude to the Shareholders, Bankers, Customers and Government Departments for the support and co-operation extended to the Company. The Directors also wish to place on record their deep sense of appreciation for the wholehearted and committed efforts put in by members of staff at all level for their valuable co-operation, dedication and loyalty during the year under review.

Sd/-

**T. Harish Pai**

*Technical Director*

DIN : 00332817

Sd/-

**T. Ashok Pai**

*Director*

DIN : 00104379

Place : Manipal

Date : 28.08.2021

## Salient features of Financial Statements of Subsidiary/Associate Companies as per Companies Act, 2013

Sl. No.	Name of the Subsidiary/ Associates	Financial Year Ending on	Share Capital	Share Warrants	Share Application Money	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investments (Except in case of investment in subsidiaries)			Turnover (incl. of other Income)	Profit/Loss before Tax	Provision for Current & Deferred Tax	Profit after Tax	Proposed Dividend
									Shares	Mutual Funds	Total of Investments					
1.	TVP Consultants Ltd. (Subsidiary)	31.03.2021	24,53,000	Nil	Nil	1,15,06,088	14,470	90,67,558	Nil*	Nil	Nil	0	(16,582)	0	(16,582)	0
2.	Sri Ramakrishna Theatre Ltd. (Associate)	31.03.2021	45,00,000	Nil	Nil	4,34,94,388	4,82,13,067	2,18,679	2,640	Nil	2,640	0	(4,81,794)	(40,956)	(4,40,838)	0

**\*Note:** Investments made ₹1,33,97,737/- is not disclosed since the company has made full provision for the diminution in the value.

## FORM NO. AOC - 2

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the 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: Nil
2. Details of contracts or arrangements or transactions at Arm's length basis : All related party transactions as covered u/s 188 of the Act were entered into during the period prior to 01.04.2015. Therefore making any further disclosures in Form AOC-2 does not arise.

Sd/-

**T. Harish Pai**

*Technical Director*

DIN : 00332817

Sd/-

**T. Ashok Pai**

*Director*

DIN : 00104379

Place : Manipal

Date : 28.08.2021



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MANIPAL INDUSTRIES LIMITED

#### Report on the audit of Standalone Financial Statements

##### Opinion

We have audited the Standalone Financial Statements **MANIPAL INDUSTRIES LIMITED (CIN: U45201KA1961PLC001430)** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, and the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows for the year ended on that date. Notes to the Financial Statements and a summary of the 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 Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Companies Accounting Standards Rules prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2014, as amended ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone 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 on the Financial Statements.

##### Emphasis of the Matter

We draw attention to Note 26.09 of the standalone financial statements, as regards to the management evaluation of COVID – 19 impacts on the future performance of the Company. Our opinion is not modified in respect of this matter.

##### Other Information (other than the Standalone Financial Statements & Auditors' report thereon)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Standalone Financial Statements and our auditors' report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

##### Responsibility of the Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 misstatements 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 basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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

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 the 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 sub-section (11) of Section 143 of the Companies Act, 2013, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss, and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) The observations made by us under the paragraph "Emphasis of the Matter" will not have any adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- g) 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';
- h) With respect to the other matters to be included in Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

**For PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 009090S

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021

**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685  
UDIN : 21204685AAAAEI1922

### **ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENT**

**(Issued to Manipal Industries Limited, Manipal for the year ending 31<sup>st</sup> March 2021)  
(Referred to in paragraph 1 of our report of even date under the Heading  
"Report on other Legal and Regulatory Requirements")**

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, during the year under audit, the Company has not granted secured or unsecured loan to, companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. However the Company during the earlier year/s has made interest free advance to its wholly owned subsidiary company as detailed in Note 13 of the standalone financial statement. The aforesaid amount was advanced without any stipulation as to the period of repayment. The Company has made full provision in the account towards the aforesaid advance during the earlier year/s, for the reasons as stated by the Company vide Note 13.03 to standalone financial statement. For the reasons as stated above, the question of making further observations as required under para 3(iii) of the order does not arise.
- iv. According to the information and explanations given to us, the Company has not made any new loans or investments during the year. Therefore the question of making any observations thereon does not arise. However the outstanding balances in investments/loans already made during the earlier year/s are within the limits as provided under Section 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in terms of the provisions of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014. The management has informed us that there are no orders by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal, in respect of Deposits. Therefore the paragraph 3(v) of the Order is not applicable to the Company.



- vi. The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013 for the Company. Therefore the question of making any comments as required under paragraph 3(vi) of the Order does not arise.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the record of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, Value Added Tax, Goods and Service Tax, cess, and other material statutory dues (if payable by the Company) have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the records of the company made available to us and as per the information and explanations given, there are no dues of income tax, sales tax, service tax, Goods & Service Tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.
- viii. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of borrowings to banks. Making any comments on repayment of loans to Financial Institutions, Government or repayment of dues to debenture holders does not arise, since no such amounts were outstanding at any time during the year under audit.
- ix. In our opinion and according to the information and explanation given to us, no term loans were availed by the Company during the year and no moneys were raised by the Company by way of initial public offer or further public offer (including debt instruments). Hence, the question of commenting on the purpose for which it was used does not arise.
- x. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanation given to us, the managerial remuneration has been paid with the requisite approvals mandate by the provisions of Section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act wherever applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. Further, the provisions of Section 177 are not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the question of compliance with Section 192 of the Companies Act, 2013 does not arise. Accordingly, the paragraph 3(xv) of the Order is not applicable.
- xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021

For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 009090S

**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685

## **ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENT**

(Issued to the Members of **MANIPAL INDUSTRIES LIMITED**)

**REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING**

**"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF EVEN DATE**

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

We have audited the internal financial controls over financial reporting of **MANIPAL INDUSTRIES LIMITED** ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include design, implementation and maintenance of adequate internal



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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention of timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitation 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 31<sup>st</sup> March 2021, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PAI NAYAK & ASSOCIATES**

*Chartered Accountants*

Firm's Registration No.: 009090S

Place : MANIPAL

Date : 28<sup>th</sup> August, 2021

**CA AMMUNJE VENKATESH NAYAK**

*Partner*

Membership No.: 204685





CIN: U45201KA1961PLC001430

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	31.03.2021	31.03.2020
		₹	₹
<b>A. EQUITY AND LIABILITIES:</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	1	1,74,21,960	1,74,21,960
b) Reserves & Surplus	2	12,63,79,296	14,38,01,256
<b>2. Non-Current Liabilities</b>			
a) Long term provisions	3	11,55,803	26,13,794
b) Deferred Tax Liability (Net)	9B	4,69,946	-
<b>3. Current Liabilities</b>			
a) Short term borrowings	4	1,06,56,953	90,19,880
b) Trade Payables			
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 5.02)		-	-
ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5	1,10,30,922	1,11,68,852
c) Other current liabilities	6	68,99,945	78,63,037
d) Short Term Provisions	7	-	4,15,272
<b>TOTAL</b>		<b>17,40,14,825</b>	<b>16,45,54,652</b>
<b>B. ASSETS:</b>			
<b>1. Non-Current Assets</b>			
a) Property, Plant & Equipment Tangible assets	8	68,57,826	76,79,391
b) Non-current Investments	9A	1,98,27,783	2,23,27,783
c) Deferred tax assets (Net)	9B	-	4,58,386
d) Long term loans & advances	9C	72,50,917	71,42,800
e) Other Non-Current Assets	9D	1,71,633	3,41,08,159
<b>2. Current Assets</b>			
a) Inventories	10	1,68,23,750	1,70,75,069
b) Trade Receivables	11	4,40,36,793	4,75,09,229
c) Cash and Cash equivalents	12	7,76,19,692	6,09,56,590
d) Short term Loans & Advances	13	8,62,939	7,67,791
e) Other Current Assets	14	5,63,492	13,99,06,666
<b>TOTAL</b>		<b>17,40,14,825</b>	<b>16,45,54,652</b>

Corporate Information, Summary of Significant Accounting Policies and Other Disclosures

26

The notes 1 to 26 are an integral part of these financial statements.

As per our Report of Even Date  
For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
Director  
DIN: 00104379

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN: 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021





CIN: U45201KA1961PLC001430

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Note No.	2020-21		2019-20	
		₹	₹	₹	₹
<b>I. REVENUE</b>					
Revenue from Operations	15	35,51,46,292		50,78,02,698	
Other Income	16	43,08,237		38,68,047	
<b>TOTAL</b>		<b>35,94,54,529</b>		<b>51,16,70,745</b>	
<b>II. EXPENSES</b>					
Cost of materials consumed	17	5,97,90,486		7,86,73,218	
Purchases	18	21,30,89,293		30,69,48,614	
Changes in inventories of stock in trade	19	2,51,319		4,36,034	
Employee Benefit Expenses	20	2,36,44,656		2,71,79,625	
Finance Costs	21	3,90,631		5,78,394	
Depreciation	22	7,09,987		7,24,381	
Other Expenses	23	5,32,77,985		8,69,36,094	
<b>TOTAL</b>		<b>35,11,54,357</b>		<b>50,14,76,360</b>	
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>83,00,172</b>		<b>1,01,94,385</b>	
Exceptional Items : Income (Net)	24	43,89,347		1,78,000	
<b>Profit before Extraordinary items and Tax</b>		<b>1,26,89,519</b>		<b>1,03,72,385</b>	
Extraordinary items		-		-	
<b>Profit before tax</b>		<b>1,26,89,519</b>		<b>1,03,72,385</b>	
Tax Expense					
Current Income tax		15,74,590		25,42,954	
Income Tax – earlier year/s (reversed)		(1,40,842)		(2,14,214)	
		14,33,748		23,28,740	
Deferred Tax Adjustment		9,28,332	23,62,080	2,90,499	26,19,239
<b>Profit for the year</b>		<b>1,03,27,439</b>		<b>77,53,146</b>	
Earning Per Equity Share (Equity share of ₹10/- each Refer Note 25.01)	25				
<b>Basic Earning per Share</b>		<b>5.91</b>		<b>4.43</b>	
<b>Diluted Earning per Share</b>		<b>4.59</b>		<b>3.45</b>	
<b>Corporate Information, Summary of Significant Accounting Policies and Other Disclosures</b>	26				

The notes 1 to 26 are an integral part of these financial statements.

As per our Report of Even Date  
For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
Director  
DIN: 00104379

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN: 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021



CIN: U45201KA1961PLC001430

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Particulars	2020-21 ₹	2019-20 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	1,03,27,439	77,53,146
Adjustments:		
Tax Expense	23,62,080	26,19,239
Depreciation	7,09,987	7,24,381
Interest Paid	3,10,148	4,17,419
(Profit)/Loss on Sale of Assets (Net)	-	(1,78,000)
Gain on compulsory acquisition of Immovable Property by Govt.	(43,89,347)	-
Interest Income	(30,25,132)	(24,64,762)
Dividend Income	(5,000)	(5,000)
Provision for gratuity (reversal and gratuity fund income)	(5,86,905)	(7,07,085)
Operating Profit before working capital changes	57,03,270	81,59,338
(Increase)/Decrease in Trade Receivables	34,72,435	51,05,848
(Increase)/Decrease in Inventories	2,51,320	4,36,033
(Increase)/Decrease in Loans & advances & Other Current Assets	(1,09,265)	(2,41,989)
Increase/(Decrease) in Trade payables and Other Current Liabilities	(25,59,013)	36,59,350
<b>Cash generated from operations</b>	67,58,747	1,71,18,579
Less : Income tax paid (Net of Refund)	15,27,748	38,32,819
<b>Cash Flow from operating activities (A)</b>	<b>52,30,999</b>	<b>1,32,85,760</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment – Tangible Assets	(2,09,094)	(14,82,917)
Proceeds from sale of Property, Plant and Equipment – Tangible Assets	-	1,78,000
Proceeds from Compulsory Acquisition of Immovable Property by Govt.	47,10,019	-
Maturity of NHA Bonds	25,00,000	-
Term Deposit (placed with Bank)/Encashed	(2,37,00,000)	(1,05,00,000)
Interest received	30,99,253	25,23,844
Dividends received	5,000	5,000
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(1,35,94,822)</b>	<b>(92,76,073)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Short Term Borrowings	16,37,073	(4,30,857)
Interest Paid	(3,10,148)	(4,17,419)
Dividend paid	1,82,439	(16,00,582)
Tax on dividend paid	-	(3,58,113)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>15,09,364</b>	<b>(28,06,971)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(68,54,459)</b>	<b>12,02,716</b>
<b>Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>2,42,75,870</b>	<b>2,30,73,154</b>
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>1,74,21,411</b>	<b>2,42,75,870</b>

Note: a) Cash Flow Statement is prepared under Indirect Method as prescribed under Accounting Standard 3.

b) Cash Balance of Cash & Cash Equivalents does not include deposit with Scheduled Banks with maturity period beyond 3 months.

c) Previous year's amounts have been arranged, regrouped and reclassified wherever necessary.

The notes 1 to 26 are an integral part of these financial statements.

As per our Report of Even Date  
For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
Director  
DIN: 00104379

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN: 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021


**NOTES TO ACCOUNTS FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	As at 31.03.2021		As at 31.03.2020	
	₹	₹	₹	₹
<b>Note 1: SHARE CAPITAL</b> (also refer Note 1.01 to 1.03 below)				
<b>Authorised:</b>				
1,00,00,000 Equity Shares of ₹10/- each	10,00,00,000		10,00,00,000	
20,00,000 Cumulative Redeemable Preference Shares of ₹10/- each	2,00,00,000		2,00,00,000	
	<u>12,00,00,000</u>		<u>12,00,00,000</u>	
<b>Issued:</b>				
50,00,000 (P.Y.: 50,00,000) Equity Shares of ₹10/- each	5,00,00,000		5,00,00,000	
<b>Subscribed and Paid-up:</b>				
10,00,000 (P.Y.: 10,00,000) Equity Shares of ₹10/- each fully paid	1,00,00,000		1,00,00,000	
12,47,830 (P.Y.: 12,47,830) Equity Shares of ₹10/- each ₹6/- paid	74,86,980		74,86,980	
	<u>1,74,86,980</u>		<u>1,74,86,980</u>	
Less: Allotment money and calls-in-arrears from persons other than Directors	65,020		65,020	
	<u>1,74,21,960</u>		<u>1,74,21,960</u>	

**Note 1.01: Reconciliation of number of Equity Shares of ₹10/- each**

	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Balance as at the beginning of the year (net of calls-in-arrears)				
Full paid-up	10,00,000	99,42,560	10,00,000	99,42,560
₹6 paid	12,47,830	74,79,400	12,47,830	74,79,400
	<u>22,47,830</u>	<u>1,74,21,960</u>	<u>22,47,830</u>	<u>1,74,21,960</u>
Adjustment during the year	-	-	-	-
Balance as at the end of the year (net of calls-in-arrears)				
Full paid-up	10,00,000	99,42,560	10,00,000	99,42,560
₹6 paid	12,47,830	74,79,400	12,47,830	74,79,400
	<u>22,47,830</u>	<u>1,74,21,960</u>	<u>22,47,830</u>	<u>1,74,21,960</u>

**Note 1.02: Rights, preferences and restrictions attached to shares**
**Equity Shares:**

Equity shares have a par value of ₹10 per share. Each shareholder is eligible for one vote for each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company (after distribution of all preferential amounts) in proportion to their shareholding and also after considering the paid-up value of the shares. The partly paid equity shares are entitled for the dividend at the rate as calculated on the paid-up value of the shares.

**Preference Shares:**

Preference Shares have a par value of ₹10 per share. Shares are cumulative and therefore the shareholders are entitled to carry forward the dividend of a year/s to the forthcoming year/s, in case the same is not declared in a year. In the event of liquidation, such shareholders are eligible to receive the face value (after distribution of all preferential amounts) before the distribution of assets to the Equity Shareholders. However the Company has not issued the Preference Shares and therefore the question of making any other disclosure does not arise.

**Note 1.03: Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Equity shares	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Percentage	Number of Shares	Percentage
Academy of General Education, Manipal				
Equity Shares of ₹10/- each, ₹6 paid	11,65,540			
Equity Shares of ₹10/- each, fully paid-up	<u>2,86,465</u>	<u>14,52,005</u>	<u>14,52,005</u>	<u>64.60%</u>



## NOTES TO ACCOUNTS FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	As at 31.03.2021	As at 31.03.2020
	₹	₹
<b>Note 2:</b>		
<b>RESERVES AND SURPLUS</b>		
(also refer Note 2.01 to 2.03)		
Capital Reserve	46,95,536	46,95,536
General Reserve		
Opening Balance	2,00,18,737	2,00,18,737
Add: Transferred during the year	- 2,00,18,737	- 2,00,18,737
Securities Premium	1,86,98,500	1,86,98,500
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	7,26,39,084	6,69,86,247
Add: Profit for the year		77,53,146
	1,03,27,439	
	8,29,66,523	7,47,39,393
Less: Appropriations (Refer Note 2.01 below)	- 8,29,66,523	(21,00,309) 7,26,39,084
	12,63,79,296	11,60,51,857
<b>Note 2.01: Appropriations:</b>		
Equity Dividend paid during the year (Refer Note 2.02)	-	17,42,196
Tax on Dividend (Refer Note 2.02)	-	3,58,113
	-	21,00,309

**Note 2.02:** The Dividend as disclosed for comparative period, in Note 2.01 above pertains to the year ending 31st March 2019. The dividend was declared at the 56th annual general meeting of the Company held on 30th September 2019. Rate of Dividend for that year was 10% prorata i.e. Re. 1 per full paid equity shares and Re. 0.60 per partly paid equity share.

**Note 2.03:** No dividend declared out of profits of the current reporting period and also no dividend declared out of profits of the comparative reporting period.

### Note 3:

#### LONG TERM PROVISIONS

(also refer Note 3.01)

Provision for Leave encashment	11,55,803	26,13,794
	11,55,803	26,13,794

**Note 3.01:** The liability in respect of leave encashment: Provision is made on an estimated basis, considering the fact that the amount involved therein is not material.

### Note 4:

#### SHORT TERM BORROWINGS

(also refer Note 4.01 and 4.02)

#### Working Capital Loans – Secured

##### From Banks:

Against of Term Deposit of Bank	1,06,56,953	90,19,880
	1,06,56,953	90,19,880

**Note 4.01:** Working Capital loans against Term Deposits represents Overdraft facility upto the limit of ₹1,80,00,000 against the hypothecation of Term Deposit.

**Note 4.02:** Interest on overdraft against term deposits is Deposit Rate+0.75%, i.e., varying from 5.20% to 7.15% (P.Y. Deposit Rate+0.75%, i.e., varying from 6.40% to 7.15%) as on 31st March 2021.


**NOTES TO ACCOUNTS FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	As at 31.03.2021		As at 31.03.2020	
	₹	₹	₹	₹
<b>Note 5:</b>				
<b>TRADE PAYABLES</b>				
(also refer Note 5.01 and 5.02)				
Micro Enterprises & Small Enterprises				
a) For Goods	-		-	
b) For Services	-		-	
Other than Micro Enterprises & Small Enterprises				
a) For Goods	71,58,466		68,11,836	
b) For Services	38,72,456	1,10,30,922	43,57,016	1,11,68,852
		<u>1,10,30,922</u>		<u>1,11,68,852</u>

**Note 5.01:** Trade payables are subject to confirmation by vendors and reconciliation. The Company is in the process of obtaining confirmation.

**Note 5.02:** There are no outstanding dues at any time during the year and also at any time during the comparative year, to Micro and Small Enterprises. Accordingly there are no other disclosures required to be made, as required under Para FA to "General Instructions for preparation of Balance Sheet" of Division I of Schedule III to Companies Act, 2013. The status of Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Note 6:**
**OTHER CURRENT LIABILITIES**

Unclaimed dividends	9,98,281	11,80,720
Other payables		
Dealership Deposits	1,06,500	1,96,500
Statutory Dues payable	35,54,766	31,17,372
Employee Benefits payable	22,40,398	33,68,445
	<u>68,99,945</u>	<u>78,63,037</u>

**Note 7:**
**SHORT TERM PROVISIONS**

Provision for Gratuity	-	4,15,272
	<u>-</u>	<u>4,15,272</u>

**Note 7.01:** Provision for Gratuity represents excess of closing value of obligation over closing fair value of plan assets of the Gratuity Fund maintained by the Life Insurance Corporation of India.



## Manipal Industries Limited

### NOTES TO ACCOUNTS FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

**Note 8 : PROPERTY, PLANT & EQUIPMENT (Tangible Assets)** (also refer Note 8.01 to 8.04) (Previous Year figures have been given in separate table)

Asset Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as on 31.03.2020	Additions	Deductions	Cost as on 31.03.2021	Total up to 31.03.2020	Normal Depreciation	Total up to 31.03.2021	As on 31.03.2020
	₹	₹	₹	₹	₹	₹	₹	₹
Land-Freehold	12,94,199	-	7,667	12,86,532	-	-	-	12,86,532
Buildings-Freehold	54,67,109	-	11,71,209	42,95,900	17,06,546	90,245	9,38,587	12,94,199
Plant & Machinery and Equipments	38,24,870	34,500	-	38,59,370	34,29,559	69,083	34,98,642	37,60,563
Furniture & Office Equipments	11,18,570	-	-	11,18,570	8,49,591	57,066	9,06,657	3,95,311
Computers	16,54,321	1,74,594	-	18,28,915	14,96,780	99,862	15,96,642	2,68,979
Vehicles	38,30,367	-	-	38,30,367	20,27,569	3,93,731	24,21,300	2,32,273
<b>TOTAL</b>	<b>1,71,89,436</b>	<b>2,09,094</b>	<b>11,78,876</b>	<b>1,62,19,654</b>	<b>95,10,045</b>	<b>7,09,987</b>	<b>93,61,829</b>	<b>14,09,067</b>
								<b>18,02,798</b>
								<b>76,79,391</b>

Amounts for the previous year:

Asset Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as on 31.03.2019	Additions	Deductions	Cost as on 31.03.2020	Total up to 31.03.2019	Normal Depreciation	Total up to 31.03.2020	As on 31.03.2019
	₹	₹	₹	₹	₹	₹	₹	₹
Land-Freehold	12,94,199	-	-	12,94,199	-	-	-	12,94,199
Buildings-Freehold	54,67,109	-	-	54,67,109	16,16,301	90,245	17,06,546	38,50,808
Plant & Machinery and Equipments	37,11,346	1,13,524	-	38,24,870	32,94,323	1,35,236	34,29,559	4,17,023
Furniture & Office Equipments	8,83,111	2,35,459	-	11,18,570	8,25,228	24,363	8,49,591	57,883
Computers	15,33,133	1,21,188	-	16,54,321	13,78,885	1,17,895	14,96,780	1,54,248
Vehicles	34,64,941	10,12,746	6,47,320	38,30,367	23,18,247	3,56,642	20,27,569	11,46,694
<b>TOTAL</b>	<b>1,63,53,839</b>	<b>14,82,917</b>	<b>6,47,320</b>	<b>1,71,89,436</b>	<b>94,32,994</b>	<b>7,24,381</b>	<b>95,10,045</b>	<b>61,66,693</b>

**Note 8.01:** Note 26.04 relating to impairment of Assets also forms part of this note.

**Note 8.02:** Building – Freehold includes the part of the Building given on rent, the income of which is disclosed in Note 16. There are no other Charges on Property, Plant and Equipment.

**Note 8.03:** Borrowing cost capitalised during the year to "Property, Plant and Equipment" is ₹Nil (P.Y. : ₹Nil)

**Note 8.04:** Note No. 26.01.C. may also be referred to for the disclosure of accounting policy on Property, Plant and Equipment i.e. measurement, depreciation method, useful life etc.


**NOTES TO ACCOUNTS FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	As at 31.03.2021	As at 31.03.2020
	₹	₹
<b>Note 9A:</b>		
<b>NON-CURRENT INVESTMENTS (OTHER THAN TRADE)</b>		
(also refer Note 9A.01 to 9A.06)		
<b>INVESTMENT IN GOVERNMENT SECURITIES</b>		
Bonds of National Highway Authority of India (kept for three years) Nil		
(P.Y.: 250) bonds of ₹10,000/- each (Rate of interest- 5.25% p.a.)	-	25,00,000
<b>TOTAL</b>	<b>-</b>	<b>25,00,000</b>
<b>INVESTMENT IN EQUITY INSTRUMENTS AT COST</b>	<b>A</b>	
<b>(i) Quoted – Fully Paid (other than Trade Investment)</b>		
MANIPAL FINANCE CORPORATION LIMITED		
12,650 (P.Y.: 12,650) Equity Shares of ₹10/- each	2,63,880	2,63,880
ICDS LIMITED		
48,387 (P.Y.: 48,387) Equity Shares of ₹10/- each	28,41,307	28,41,307
<b>TOTAL</b>	<b>31,05,187</b>	<b>31,05,187</b>
<b>(ii) Unquoted – Fully Paid</b>		
<b>a. In wholly owned Subsidiary Company:</b>		
TVP CONSULTANTS LIMITED		
2,45,300 (P.Y.: 2,45,300) Equity Shares of ₹10/- each	24,53,000	24,53,000
<b>b. In Associate Company:</b>		
SRI RAMAKRISHNA THEATRE LIMITED		
1,39,418 (P.Y.: 1,39,418) Equity Shares of ₹10/- each	1,90,07,432	1,90,07,432
<b>c. Others:</b>		
MANIPAL CO-OPERATIVE BANK LIMITED		
1 (P.Y.: 1) Equity Shares of ₹25/- each	25	25
KARNATAKA RUBBERS LIMITED		
100 (P.Y.: 100) Equity Shares of ₹100/- each	10,000	10,000
MANIPAL HOUSING FINANCE SYNDICATE LIMITED		
10,000 (P.Y.: 10,000) Equity Shares of ₹10/- each	1,00,000	1,00,000
MPL ENTERPRISES LIMITED		
12,096 (P.Y.: 12,096) Equity Shares of ₹10/- each	7,10,326	7,10,326
<b>TOTAL</b>	<b>2,22,80,783</b>	<b>2,22,80,783</b>
<b>(A) + (B) + (C)</b>	<b>2,53,85,970</b>	<b>2,78,85,970</b>
Less: Provision for diminution in the value of Investments	55,58,187	55,58,187
<b>TOTAL</b>	<b>1,98,27,783</b>	<b>2,23,27,783</b>
<b>Note 9A.01:</b> The Company has made due provision for the diminution in the value of the Investments, as a prudential policy adopted by the management. The management is of the opinion that the provisions so made, are adequate which are as follows:		
<b>Quoted:</b>		
A) MANIPAL FINANCE CORPORATION LTD.	2,63,880	2,63,880
B) ICDS LTD.	28,41,307	28,41,307
Total Provisions (Quoted)	31,05,187	31,05,187
<b>Unquoted:</b>		
C) TVP CONSULTANTS LTD. (wholly owned subsidiary Company)	24,53,000	24,53,000
Total Provisions (Unquoted)	24,53,000	24,53,000
<b>Note 9A.02:</b> Also refer Note 13.03 for provision for investment in wholly owned subsidiary company.		
<b>Note 9A.03:</b> Aggregate amount of quoted investments (before provisions)	31,05,187	31,05,187
Market Value of quoted investments	Refer Note 9A.04	Refer Note 9A.04
Aggregate amount of unquoted investments (before provisions)	2,22,80,783	2,22,80,783
<b>Note 9A.04:</b> Aggregate Market value of Quoted investment is ₹Nil (P.Y. ₹Nil) since they are not actively traded.		
<b>Note 9A.05:</b> Refer Note 26.01.D for accounting policy on valuation of investments.		
<b>Note 9A.06:</b> The above is to be considered as disclosure under sub-section 4 of Section 186 of Companies Act, 2013. Also refer Note 13 read with Note 13.03 for further disclosure.		
<b>Note 9B:</b>	<b>2020-21</b>	<b>2019-20</b>
<b>DEFERRED TAX ASSET/LIABILITY</b> (also refer Note 9B.01 & 9B.02)	₹	₹
<b>Deferred Tax Assets:</b>		
On Account of Disallowance u/s 43B of Income Tax Act, 1961	2,17,911	7,25,701
Provision for Gratuity	-	1,04,516
<b>TOTAL</b>	<b>2,17,911</b>	<b>8,30,217</b>
<b>Deferred Tax Liability:</b>		
On Account of Depreciation	6,44,661	3,71,831
On Account of Gratuity Assets	43,196	-
<b>TOTAL</b>	<b>6,87,857</b>	<b>3,71,831</b>
<b>Deferred Tax Asset (Liability)(net)</b>	<b>A-B</b>	<b>4,58,386</b>
<b>Note 9B.01:</b> As per accounting standard (AS-22) on Accounting for taxes on Income, the major components of deferred tax arising on timing differences are given in the above Note 9B.		
<b>Note 9B.02:</b> Accordingly deferred tax adjustment charged of ₹9,28,332 (P.Y.: Charged ₹2,90,499) during the year in the Statement of Profit and Loss.		



## NOTES TO ACCOUNTS FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	2020-21	2019-20
	₹	₹
<b>Note 9C: LONG TERM LOANS AND ADVANCES</b>		
(also refer Note 9C.01 and 9C.02)		
Unsecured (considered good)		
Advance Tax Paid and Tax deducted at source (net of Provisions)	36,29,028	35,35,028
Security deposits	36,21,889	36,07,772
	<u>72,50,917</u>	<u>71,42,800</u>

**Note 9C.01:** Security deposit represents Rent deposit, Dealership deposit, Electricity deposit, Telephone deposit etc.

**Note 9C.02:** No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or member.

### Note 9D:

#### OTHER NON-CURRENT ASSETS

Asset in respect of gratuity fund (maintained by LIC) (unsecured and considered good)	1,71,633	-
	<u>1,71,633</u>	<u>-</u>

### Note 10:

#### INVENTORIES

(also refer Note 10.01)

Stock in Trade	1,68,23,750	1,70,75,069
	<u>1,68,23,750</u>	<u>1,70,75,069</u>

**Note 10.01:** For method of valuation, refer Note No. 26.01.E under the head Accounting Policies.

### Note 11:

#### TRADE RECEIVABLES (Unsecured & Considered good)

(also refer Note 11.01 and 11.02)

Outstanding more than six months from the due date	9,37,278	6,86,025
Others	4,30,99,515	4,68,23,204
	<u>4,40,36,793</u>	<u>4,75,09,229</u>

**Note 11.01:** Trade receivables are subject to confirmation by customers and reconciliation. The Company is in the process of obtaining confirmation.

**Note 11.02:** No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

### Note 12:

#### CASH AND CASH EQUIVALENTS

(also refer Note 12.01 and 12.02)

Cash and Cash Equivalents: (As per AS-3 for Cash Flow Statements)

a) Cash in hand	1,33,294	1,16,327
b) Cheque and DD's in hand	2,28,311	2,38,358
c) Balance with Banks		
In Current Account	1,70,59,806	1,74,21,411
Other Bank Balances		2,39,21,185
a) Bank balances earmarked as Unclaimed dividends	9,98,281	11,80,720
b) Term deposits with banks pledged as Security for working capital loans etc.	2,25,00,000	3,35,00,000
c) In other Term Deposit with Scheduled Banks	3,67,00,000	6,01,98,281
	<u>7,76,19,692</u>	<u>20,00,000</u>
		<u>3,66,80,720</u>
		<u>6,09,56,590</u>

**Note 12.01:** Cash and Cash Equivalents (As per AS-3 for Cash Flow Statements) does not include term deposits kept, with the maturity period beyond 3 months, earmarked balances with banks and bank deposits held as a margin money or security against borrowings etc.

**Note 12.02:** The Term Deposits mentioned in "Other Bank Balances" above, represents Term Deposits maturing within 12 months amounting to ₹2,72,00,000 (P.Y. ₹70,00,000) and maturing beyond 12 months amounting to ₹3,20,00,000 (P.Y. ₹2,85,00,000) from the date of the Balance Sheet.

### Note 13:

#### SHORT TERM LOANS AND ADVANCES

(also refer Note 13.01 to 13.03)

Unsecured:

Advance to wholly owned Subsidiary Company		
Considered Doubtful	90,57,486	90,57,486
Less: Provisions made	90,57,486	90,57,486
Other Advances		
Considered Good	8,62,939	7,67,791
	<u>8,62,939</u>	<u>7,67,791</u>

**Note 13.01:** Other Advances represent security deposits for work, building deposits, departmental deposits and advances made in the ordinary course of business which are not material in nature. These advances are subject to confirmation.




**NOTES TO ACCOUNTS FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	2020-21	2019-20
	₹	₹
<b>Note 13.02:</b> No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or a member.		
<b>Note 13.03:</b> The Company has also made the advance to the subsidiary company, M/s TVP Consultants Limited, from time to time, whenever such Company was in need of funds for liquidity and total amount advanced till the date of Balance Sheet is stated in Note 13 above. These amounts were advanced without any stipulation as to period of repayment and also free from charging of interest. The network of the aforesaid subsidiary company is fully eroded. For this reason and also on prudential basis, the Company has made the due provision in its account for the advance so made as detailed in Note 13 above and also for investment in shares of the subsidiary as detailed in Note 9A.01. For the reasons as given in this note, the question of taking any further steps to recover the amount does not arise. This is to be considered as disclosure u/s 186(4) of Companies Act, 2013 in addition to disclosure made under note 9A read with Note 9A.06.		

**Note 14:**
**OTHER CURRENT ASSETS**

Unsecured and considered good

Interest Receivable on Bank Deposit, etc.

5,63,492

5,63,492

6,37,613

6,37,613

**NOTES TO ACCOUNTS FORMING PART OF STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2021**

Note 15:	2020-21	2019-20
	₹	₹
<b>REVENUE FROM OPERATIONS</b>		
(also refer Note 15.01)		
Sale of Goods & Services (net of Indirect Taxes)		
Sale of Goods less returns	22,62,09,649	32,38,77,175
Construction contract revenue recognised	12,73,60,747	35,35,70,396
Other Operating Revenue	15,75,896	27,09,043
	35,51,46,292	50,78,02,698

**Note 15.01:** Note No. 18.01 also forms part of this note, which may be referred to.

**Note 16:**
**OTHER INCOMES**

(also refer Note 16.01 &amp; 16.02)

Building Rent	6,91,200	6,91,200
Dividend from Long term Investments (Non-Trade)	5,000	5,000
Interest Income	30,25,132	24,64,762
Provision for Gratuity Reversed and Income of Gratuity Fund Asset	5,86,905	7,07,085
	43,08,237	38,68,047

**Note 16.01:** Interest Income represents Interest on Bank & Other deposits/advances and on Income tax refund, if any.

**Note 16.02:** Income by way of Building Rent as disclosed in the above note, represents rent on immovable property on the cancellable operating lease.

**Note 17:**
**COST OF MATERIAL CONSUMED**

(also refer Note 17.01)

Raw Materials Consumed	5,97,90,486	7,86,73,218
	5,97,90,486	7,86,73,218

**Note: 17.01:** Raw Material Consumed as above, represents Construction Materials consumed in execution of Contract work. There are no opening and closing inventory of such items. Accordingly the Purchase of the Construction Materials is ₹5,97,90,486 (P.Y. ₹7,86,73,218) considered as Raw Materials Consumed. There are no other materials involved in the above consumption.

**Note 18:**
**PURCHASES**

(also refer Note 18.01)

Purchase less returns	21,30,89,293	30,69,48,614
	21,30,89,293	30,69,48,614



## NOTES TO ACCOUNTS FORMING PART OF STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2021

**Note 18.01:** Information as to stock, purchase and sales

Amount in ₹

Sl. No.	Particulars	Opening Stock	Purchases	Sales	Closing Stock
1.	<b>RELATING TO GOODS:</b>				
	Trading Stock:				
	Current Year	1,17,36,447	3,14,72,760	3,59,59,965	1,13,81,523
a.	Electrical Items				
	Previous Year	1,27,37,145	4,73,25,879	5,32,50,678	1,17,36,447
b.	Petrol, H S Diesel & Lubricants				
	Current Year	39,66,759	17,88,71,246	18,61,68,811	43,12,754
	Previous Year	39,68,241	25,67,23,235	26,69,17,388	39,66,759
c.	Construction Materials				
	Current Year	13,71,863	27,45,287	40,80,873	11,29,472
	Previous Year	8,05,716	28,99,500	37,09,109	13,71,863
	<b>TOTAL</b>				
	Current Year	1,70,75,069	21,30,89,293	22,62,09,649	1,68,23,750
	Previous Year	1,75,11,103	30,69,48,614	32,38,77,175	1,70,75,069
2.	<b>RELATING TO SERVICES:</b>				
	Construction contract revenue			12,73,60,747	
	recognised				
	Previous Year			18,12,16,480	

Particulars	2020-21		2019-20	
	₹	₹	₹	₹

**Note 19:**

### CHANGES IN INVENTORY OF STOCK IN TRADE

(also refer Note 19.01)

Opening Stock

Stock in Trade	1,70,75,069	1,75,11,103
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Closing Stock

Stock in Trade	1,68,23,750	1,70,75,069
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	2,51,319	4,36,034
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**Note 19.01:** Note 18.01 also forms part of this note, which may be referred to.

**Note 20:**

### EMPLOYEES' BENEFITS EXPENSE

(also refer Note 20.01)

Salaries and Wages, Incentive allowances	1,76,85,931	2,11,63,661
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Leave encashment	2,36,644	7,27,979
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Bonus	4,79,273	5,59,608
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Contribution to Provident and other funds	28,72,712	31,92,288
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Gratuity Premium	14,07,239	4,00,000
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Contribution to ESI	5,53,564	6,68,823
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Staff Welfare Expenses	4,09,293	4,67,266
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	2,36,44,656	2,71,79,625
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**Note 20.01:** Disclosure as required under Accounting Standard 15 i.e. Employee benefits is given under Note No. 26.14

**Note 21:**

### FINANCE COSTS

Interest on Bank Overdraft	3,10,148	4,17,419
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Bank Charges	80,483	1,60,975
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	3,90,631	5,78,394
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**NOTES TO ACCOUNTS FORMING PART OF STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2021**

Particulars	2020-21	2019-20
	₹	₹
<b>Note 22:</b>		
<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation on Tangible assets (refer Note 8)	7,09,987	7,24,381
	<u>7,09,987</u>	<u>7,24,381</u>
<b>Note 23:</b>		
<b>OTHER EXPENSES</b>		
(also refer Note 23.01)		
Freight Inwards	1,57,142	2,10,224
Wages & Other Constructions Expenses	4,54,42,970	7,70,36,934
Repairs & Maintenance:		
Building Repairs	35,957	25,584
Other Repairs	16,90,528	18,84,920
Payment to Auditor		
Statutory Audit	3,25,000	3,25,000
Taxation Matters	2,10,000	60,000
Certification Services	-	2,000
GST	96,300	69,660
Insurance	1,55,492	1,88,537
Directors' Sitting fees	12,000	11,250
Indirect Taxes	26,000	10,135
Bad debt written off	21,729	86,790
Printing & Stationery	3,08,730	5,27,458
Light & Water Charges	3,17,919	3,30,139
Rent	3,60,000	3,14,700
Rates, Taxes and Filing Fees	2,15,816	1,71,694
Travelling Expenses	18,310	38,255
Telephone Charges	2,53,916	2,84,760
Donation	-	5,500
Legal and Professional Charges	11,14,185	18,21,974
Other Expenses	25,15,991	35,30,580
<b>TOTAL</b>	<u>5,32,77,985</u>	<u>8,69,36,094</u>
<b>Note 23.01:</b> Rent as disclosed in the above note, represents rent on immovable property on the cancellable operating lease.		
<b>Note 24:</b>		
<b>EXCEPTIONAL ITEMS</b>		
<b>I. EXCEPTIONAL INCOME:</b>		
Gain on compulsory acquisition of Immovable Property by Govt.	43,89,347	1,78,000
	<u>43,89,347</u>	<u>1,78,000</u>
<b>II. EXCEPTIONAL EXPENSES:</b>	-	-
<b>NET INCOME</b>	<u>43,89,347</u>	<u>1,78,000</u>

**NOTES TO ACCOUNTS FORMING PART OF STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2021**

Particulars	2020-21		2019-20	
	₹	₹	₹	₹
<b>Note 25:</b>				
<b>EARNING PER EQUITY SHARE</b> (Also refer Note 25.01)				
a) Net Profit available for equity shareholders (Used as numerator)	1,03,27,439		77,53,146	
b) Weighted average No. of Equity Shares (Used as denominator)	17,48,698		17,48,698	
c) <b>Basic Earnings per share (a/b)</b>	5.91		4.43	
d) No. of Equity Shares (diluted) (Used as denominator)	22,47,830		22,47,830	
e) <b>Diluted Earnings per share (a/d)</b>	4.59		3.45	
<b>Note 25.01:</b> There are no extraordinary items and therefore the question of calculating earning per share after adjusting such items does not arise. Out of the above 22,47,830 shares 10,00,000 shares are of ₹10 each fully paid and 12,47,830 shares are of ₹10 each, ₹6 paid.				

**NOTES TO STANDALONE BALANCE SHEET & STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31ST MARCH, 2021**
**Note 26: Corporate Information, Summary of Significant Accounting Policies and Other Disclosures**
**Corporate Information:**

The Registered Office of Manipal Industries Limited (the "Company") is at Manipal (State: Karnataka). The Company is registered as a Public Limited Company. The main business of the Company is to undertake and execute civil construction contracts, to trade in electronic goods, Petrol/Diesel, Lubricants and related items etc. The Company is having one wholly owned subsidiary company i.e., M/s TVP Consultants Limited, having its registered office at Chennai. The amounts in financial statement rounded off to the nearest Rupee.

**26.01 Accounting Policies:**
**A. Basis of Accounting and Revenue Recognition:**

The Standalone financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 i.e., the Companies (Accounting Standard) Rules, 2006 read with Companies (Accounting Standard) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013.

The accounts are prepared under historical cost convention and all significant items of income and expenditure are accounted on accrual system of accounting. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the previous year.

Revenue from "Fixed Price" construction contracts recognised under "Percentage of Completion Method", is measured by reference to the percentage of work completed up to the date of the Balance Sheet, to the total value of work for each contract. Work-in-Progress if any, comprises of cost incurred for such contract/s, wherever such work is in the initial stages. Accordingly, the amounts due to/from customers for contract work are being arrived at. Such dues are being disclosed as "Trade Receivables" under the head "Current Assets" or as "Advance from Customers", under the head "Current Liabilities" as the case may be.

Revenue from "Sale of Goods" is recognized when significant risks and rewards in respect of ownership are transferred to customers. Income of the nature "Interest" is recognised on the time proportionate method. "Dividend income" is recognised when the unconditional right to receive the income is established. Income by way of "Rent on Building" in respect of cancellable operating lease is recognized on accrual basis over the period of lease.

**B. Use of Estimates:**

The preparation of standalone financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and disclosure of contingent liabilities at the date of the standalone financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and estimates are being recognised in the period in which the results are known/materialized.

**C. Property, Plant and Equipment & Depreciation:**

The Company is following "Cost Model" to disclose Property, Plant and Equipment.

Freehold land is carried at historical cost. All other items of 'Property, Plant and Equipment' are stated at historical cost less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly

attributable to the acquisition of the items such as purchase price, freight, duties and levies. Such cost includes the cost of replacing parts of the 'Property, Plant and Equipment' and the borrowing cost till the date of installation of qualifying asset and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of 'Property, Plant and Equipment' and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of 'Property, Plant and Equipment' as a replacement if the recognition criteria are satisfied. Machinery spares if any, which are specific to a particular item of 'Property, Plant and Equipment' and whose use is expected to be irregular are capitalized as 'Property, Plant and Equipment'.

Spare parts if any, are capitalized when they meet the definition of 'Property, Plant and Equipment' i.e., when the Company intends to use these for more than a period of 12 months.

The Fixed Tangible Assets held by the Company does not involve decommissioning cost and the cost of removal of such assets is not material considering the size of the Company. Considering this aspect, the Company has not made any policies for capitalizing the decommissioning cost.

Depreciation on 'Property, Plant & Equipment' generally is provided on the straight line method over the useful lives of the assets in terms of Schedule II of the Companies Act, 2013. Depreciation for the assets purchased / sold during the period is proportionately charged. Improvements to buildings are amortized over the period of remaining useful life of the building. The residual values, useful lives and methods of depreciation of 'Property, Plant and Equipment' are reviewed at each financial year end and adjusted prospectively, if appropriate and under such circumstances the appropriate disclosure will be made in the notes to accounts.

#### **D. Investments:**

Long Term Investments are stated at cost. The Company has the policy of making provisions for diminution in the value of investments to recognize decline, other than temporary. The Company does not own any immovable property held as investments and accordingly has not made any policies for such investments.

#### **E. Inventory:**

Stock of Inventory i.e., Raw Materials, Work-in-Progress, Trading materials etc. are valued at lower of cost or net realisable value adopting First In First Out Method (i.e., FIFO). Cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost also includes expenses incurred towards wages and other related items. Spare parts which do not meet definition of Property, Plant and Equipment, i.e. when the company intends to use these during the period of 12 months or less, are being considered as Inventory. The FIFO formula assumes that the items of inventory that were purchased or produced first are sold or utilised first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced. Cost of work-in-progress (if any) is determined on the basis of cost attributable to the contract.

#### **F. Tax on Income:**

The Company has charged off the Current Income Tax to the Statement of Profit and Loss. Deferred Tax Assets/Liabilities recognised/provided are in accordance with the Accounting Standard 22. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date, on the timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax Asset is recognised, subject to the considerations of prudence. Deferred tax asset so recognised, is being netted off to deferred tax liability or vice versa. Advance Income Tax Paid (including Tax deducted at source, tax paid on self-assessment or otherwise) and provision for current Income Tax (if any) are presented in the Balance Sheet after setting off the same against each other.

#### **G. Employee Benefits:**

The Company's "Retirement Benefit Plan" & "Other Benefit Plans" comprises of Contribution to Provident Fund, Employee State Insurance, and Gratuity and leave encashment.

Contribution to Provident Fund and Employee State Insurance is being made at pre-determined rates and are charged to the Statement of Profit & Loss. The Company's Liability to Gratuity to employees is covered by Group Gratuity Policy of Life Insurance Corporation of India and accordingly the premium paid, is charged to the Statement of Profit & Loss. Deficit/



# Manipal Industries Limited

Surplus of present value of obligations (under Gratuity Policy) over the fair value of Gratuity plan asset duly charged/ recognized to the Statement of Profit & Loss, on year to year basis. Provision for leave encashment is being made on estimated basis.

There are no other retirement & employee benefits being provided by the Company.

## **H. Borrowing Costs:**

Borrowing costs are recognized as an expense in the year in which they are incurred except those which are directly attributable to acquisition/construction of qualifying fixed assets (as defined under Accounting Standard 16), till the time such assets are ready for use, in which case the borrowing costs are capitalized as part of the cost of the asset.

## **I. Contingent Liabilities/Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions not made in the account (which otherwise should have been made) are disclosed by way of appropriate note. Contingent liabilities (if any) are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the standalone Financial Statements.

## **J. Impairment of Assets:**

The Company has framed the policy of impairing the asset, when carrying value of the assets exceeds its recoverable amount, under the circumstances when the Company is having the sources of information (whether internal or external) that an impairment loss may have occurred. Accordingly, impairment losses will be charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment losses recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

## **K. Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share, if any, is computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

## **L. Lease Transactions:**

Rent paid/payable on cancellable operating lease, is charged to the Statement of Profit and Loss on accrual basis over the term of the lease on straight line basis. Rent received/receivable on the cancellable operating lease, is recognised as income on accrual basis, over the term of the lease on straight line basis.

## **M. Operating Cycle:**

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **N. Cash Flow Statement:**

The Company has prepared the Cash Flow Statement in compliance with the Section 129 read along with the Section 2(40) of the Companies Act, 2013. Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **O. Segment Reporting:**

The Company is required to prepare Consolidated financial statement to incorporate financials of subsidiary Company. Accordingly the segment information is being furnished on the basis of Consolidated Financial Statements in notes to Consolidated Financial Statements.

## **P. Events occurring after the Balance Sheet Date:**

Dividends if any, pertaining to the financial year, but declared after the Balance Sheet, are not recognized as a liability and the same is being disclosed in the notes to accounts.

## **26.02 Contingent and Other Liability:**

There are no contingent liabilities as on 31st March 2021.

## **26.03 List of related parties with whom the transactions have taken place during the year:**

- Subsidiary Company (wholly owned): TVP Consultants Limited, Chennai
- Key Management Personnel: Sri T. Harish Pai, Manipal (the Technical Director)
- Relative of Key Management Personnel: Smt. Kanchana Pai
- Sri Ramakrishna Theatre Limited, Udupi (Associate Company)
- Academy of General Education, Manipal (Major Shareholder)



The details of transactions are as follows:

Particulars	Current Year	Previous Year
	₹	₹
A. Advances, Deposits and loans to related parties by the Company, which is due as on the Balance Sheet Date Related to Subsidiary Company: TVP Consultants Limited ₹90,57,486/- (P.Y. ₹90,57,486)	90,57,486	90,57,486
B. Remuneration Paid during the year (including Management contribution to PF, perquisites etc.) Key Management Personnel: Sri T. Harish Pai	14,49,368	15,98,948
C. Professional charges paid during the year Relative of Key Management Personnel: Smt. Kanchana Pai	1,20,000	2,40,000
D. Construction revenue accrued during the year From Major Shareholder Academy of General Education	3,55,045	2,50,225
E. Amount of Trade Receivables as on reporting date From Major Shareholder Academy of General Education	21,686	1,24,463
F. Investments held as on the Balance Sheet Date:		
a) In equity shares of Subsidiary Company TVP Consultants Limited ₹2,45,300 (P.Y. ₹2,45,300) equity shares of ₹10 each ₹24,53,000/- (P.Y. ₹24,53,000)		
b) In equity shares of Associate Company Sri Ramakrishna Theatre Limited 1,39,418 equity shares of ₹10 each ₹1,90,07,432 (P.Y. ₹1,90,07,432)	2,14,60,432	2,14,60,432
G. Total Provisions as on the date of Balance Sheet:		
a) In respect of Investments in Subsidiary Company ₹24,53,000 (P.Y. ₹24,53,000)		
b) Advance to Subsidiary Company ₹90,57,486 (P.Y. ₹90,57,486) (both the cases: TVP Consultants Limited)	1,15,10,486	1,15,10,486

Related Party Transactions given above are as identified by the Management.

Commitments with related parties:

As at year end March 31, 2021, there is no commitment outstanding with any of the related parties.

The remuneration to KMPs do not include provisions for gratuity as separate actuarial valuation are not available.

The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

**26.04** The management is of the opinion that the carrying cost of the assets does not exceed its recoverable amount. Further the Company does not have any information whether internal or external, that indicates that "impairment loss may have occurred". Accordingly, the question of impairment of assets does not arise.

**26.05** The Board is of the opinion that the assets other than Fixed Assets and Non-Current Investments (as included under Note No. 9C to 14) have in the ordinary course of business, value equal to the amount at which they are stated in the Balance Sheet.

**26.06** 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 on 31st March 2021.

#### 26.07 Employee Benefits

Brief description of the Plans:

- The Company has two schemes for long term benefits namely provident fund and gratuity. In case of funded schemes, the funds are recognized by the Income tax authorities and administered through trustees/appropriate authorities. The Company's defined contribution plan is employees' provident fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) wherein the Company has no further obligation beyond making the contributions.



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The Company is also contributing towards Employee State Insurance Plan, as per statutory requirements, wherein the Company has no further obligation beyond making the contributions.

The Company is also providing employee benefit by way of encashment of earned leave. The provision for the same has been made on estimated basis. The amount involved thereon is not material, considering the size of the Company. The Company has not opted for actuarial valuation, considering the cost involved and also the concept of materiality.

The Company's defined benefit plan is gratuity.

b) Charge to the Statement of Profit and Loss based on contributions:

The Company's contribution to Provident Fund charged to Statement of Profit and Loss during the year is ₹28,72,712 (P.Y.: ₹31,92,288) (which includes other charges such as administration charges etc.).

The Company's Contribution to Employee State Insurance Plan charged to Statement of Profit and Loss during the year is ₹5,53,564 (P.Y.: ₹6,68,823).

The details of provision for leave encashment are as under: Provision as on 1st day of April 2020 is ₹26,13,794 (P.Y.: ₹23,66,352). Amount charged to the Statement of Profit & Loss during the year is ₹2,36,644 (P.Y.: ₹7,27,979). Actual payment during the year: ₹16,94,635 (P.Y.: ₹4,80,537). Provision as on 31<sup>st</sup> day of March 2021 ₹11,55,803 (P.Y.: ₹26,13,794).

The amount of premium contributed to LIC of India towards Group Gratuity Premium is ₹14,07,239 (P.Y.: ₹4,00,000).

c) Disclosures for defined gratuity benefits plans based on actuarial reports obtained from Life Insurance Corporation of India as on 31.03.2021:

Amount in ₹

	2020-21	2019-20
<b>1 Principal actuarial assumptions used:</b>		
Discount rate (p.a.)	7.00%	7.00%
Salary Escalation	5.00%	7.00%
	₹	₹
<b>2 Changes in present value of obligation:</b>		
Opening value of obligations	93,12,786	86,77,670
Current service cost	4,99,972	4,35,548
Interest cost	6,51,895	6,50,825
Actuarial loss/(gain)	(7,30,970)	(8,61,469)
Benefits paid	(10,84,239)	(4,50,692)
Closing value of obligations	86,49,444	84,51,882
<b>3 Changes in Fair Value of Assets:</b>		
Opening fair value of plan assets	80,36,610	75,55,313
Expected/Actual return on plan assets	6,10,013	6,08,026
Contributions by employer	12,58,694	3,23,963
Benefits paid	(10,84,239)	(4,50,692)
Closing fair value of plan assets	88,21,077	80,36,610
<b>4 Fair value of Assets:</b>		
Fair value of plan assets as at Beginning of the Year	80,36,610	75,55,313
Actual return on plan assets	6,10,013	6,08,026
Contributions	12,58,694	3,23,963
Benefits Paid	(10,84,239)	(4,50,692)
Fair value of plan assets as at year end	88,21,077	80,36,610
Funded Status	1,71,633	(4,15,272)
<b>5 Actuarial Gain/Loss recognized:</b>		
Actuarial (Gain)/Loss on Obligations	7,30,970	8,61,469
Actuarial (Gain)/Loss for the year – plan assets	Nil	Nil
Actuarial (Gain)/Loss on Obligations	(7,30,970)	(8,61,469)
Actuarial (Gain)/Loss recognized in the year	(7,30,970)	(8,61,469)
<b>6 Amount Recognized in the Balance Sheet:</b>		
Present value of obligations as at year end	86,49,444	84,51,882
Fair value of plan assets as at year end	88,21,077	80,36,610
Funded Status	(1,71,633)	(4,15,272)
Net asset/(liability) recognized	(1,71,633)	(4,15,272)
<b>7 Expenses Recognized in the Statement of Profit and Loss:</b>		
Current service cost	4,99,972	4,35,548
Interest Cost	6,51,895	6,50,825
Expected return on plan assets	(6,10,013)	(6,08,026)
Net actuarial loss / (gain) recognized in the current year	(7,30,970)	(8,61,469)
Effect of the limit in Para 59(b) of AS 15	*	*
<b>Total expense</b>	<b>(1,89,116)</b>	<b>(3,83,122)</b>

(\*) Information not furnished by Life Insurance Corporation of India.





The Company has written to Life Insurance Corporation of India to furnish information of the Defined Gratuity Benefit Plan, in the manner required under Accounting Standard 15. Accordingly, the Life Insurance Corporation of India has given the information as given above, which has been relied by the Auditors.

Amount in ₹

Particulars	2020-2021	2019-2020	2018-19	2017-18	2016-17
Closing value of obligation	86,49,444	84,51,882	86,77,670	68,22,411	53,72,867
Closing fair value of plan assets	88,21,077	80,36,610	75,55,313	63,99,640	56,66,168
Net asset/(liability) recognized	1,71,633	(4,15,272)	(11,22,357)	(4,22,771)	2,93,301

**26.08** The Company during the year is operating under one geographical segment. Hence, segment reporting on geographical basis is not applicable. However, the Company is operating under two business segments namely Trading and Construction. However, the Financial Statement of the Company contains both consolidated financial statement and the separate financial statement. Accordingly, the segment information is being presented on the basis of the consolidated financial statement and disclosed in notes to consolidated financial statement.

**26.09** Impact of COVID-19 Global Pandemic:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Company, however, believes strongly that its offerings to the customer would not significantly impact its revenues.

- The impact on future revenue streams could come from lower sales of Petrol, HS Diesel & Lubricants, Electrical items, Construction Materials and also from Construction revenue. The Company expects the revenue to be back to the existing levels post the pandemic. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.
- The Company has analysed its liquidity position and the recoverability and carrying value of its assets comprising property, plant and equipment, investment, advances, trade receivables, deferred taxes, other assets etc. Further the whole of the borrowing from Bank, is secured against pledge of Bank Term Deposits and accordingly there will not be any repayment obligations of Bank Borrowings. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the aforesaid assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these standalone financial statements.
- Due to the uncertain nature of the pandemic, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

**26.10** There are no pending litigations that would impact the financial position of the Company in the Standalone Financial Statements.

**26.11** The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

**26.12** No amounts are required to be transferred to the credit of Investor education and protection fund.

**26.13** The previous year's amounts are regrouped/reclassified/rearranged wherever necessary.

**26.14** The Consolidated Financial Statement incorporating therein the relevant financial information of Subsidiary Company and the Associate Company prepared separately and annexed with this standalone financial statement.

As per our Report of Even Date  
For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
Director  
DIN : 00104379

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN : 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685

Place : MANIPAL  
Date : 28<sup>th</sup> August 2021



## INDEPENDENT AUDITOR'S REPORT

To The Members of **Manipal Industries Limited, Manipal**  
**Report on the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statement of **Manipal Industries Limited (CIN: U45201KA1961PLC001430)** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") and its associate (the "Group" and the "Associate" together referred to as "the Companies"), comprising of the consolidated Balance Sheet as at 31<sup>st</sup> March 2021, the consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Companies Accounting Standards Rules prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2014, as amended, ("AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, the consolidated profit and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated 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 on the Financial Statements.

### Emphasis of Matter/Other Matters

- We have audited the financial statements of the Subsidiary Company and issued the qualifying report, since the net worth of the Subsidiary Company is fully eroded thereby raising a doubt about the Subsidiary Company to continue as a going concern. However, the Holding Company has considered the whole of the loss incurred by the Subsidiary Company, by making the full provision in its standalone financial statement on year to year basis. The net worth of the Holding Company after considering the provision as aforesaid is positive. Therefore, the question of making the similar qualification in this report does not arise. These aspects have been disclosed by the Company vide Note 26.08 of the consolidated financial statements. Our opinion is not qualified in this matter.
- We draw attention to Note 26.18 of the consolidated financial statements, as regards to the management evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.
- The Consolidated Financial Statements also includes Group's share of Loss of ₹1,36,572/- for the year ended March 31<sup>st</sup>, 2021 (Previous Year Loss ₹2,54,019/-), in respect of one Associate Company, whose financial statements/financial information have not been audited by us. As per the information given to us and as evident from the evidence produced before us, the financial statements as aforesaid have been audited by the firm of other Chartered Accountants and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of sub-Section (3) of Section 143 of the Act, in so far as it relates to aforesaid Associate Company, is based solely on such audited financial statements. In our opinion and according to the information and explanations given to us by the Management, the share of loss of the financial statements not material to the Group. Our opinion is not qualified in this matter.

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

### Other Information (other than the Consolidated Financial Statements & Auditors' report thereon)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Consolidated Financial Statements and our auditors' report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### Responsibility of the Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (Hereinafter referred to as "the Act") that give true and Fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flows of the group including its Associates in accordance with the Accounting Principles generally accepted in India, including The Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the holding company, as aforesaid.

#### Auditor's Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 misstatements 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 basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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

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 the 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 Requirement

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 Companies so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in Clause (a) of "Emphasis of Matter/Other Matters" paragraph above, in our opinion, may not have an adverse effect on functioning of the group, for the reason that the loss of the subsidiary company has been fully provided for by the Holding Company, in its standalone financial statements and also for the reasons as given in Note 26.08 of consolidated financial statements. The matters covered under Cause (b) and (c) of the aforesaid paragraph will not have adverse effect on the functioning of the Group.
- f) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- g) Our observation on maintenance of books of the subsidiary company has been disclosed vide Clause (a) under "Emphasis of Matter/Other Matters" paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Companies and the operating effectiveness of such controls, refer to our separate report in 'Annexure'.
- i) With respect to the other matters to be included in Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. As evident from the financial statements of the subsidiary & associate company, the companies have not paid any amount as remuneration to directors and therefore the question of making any reports therein does not arise.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Group and its Associate does not have any pending litigations which would impact its financial position.
  - II. The Group and its Associate did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - III. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Group and its Associate.

For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 009090S

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021

**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685  
UDIN: 21204685AAAAEJ4966



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF  
MANIPAL INDUSTRIES LIMITED, MANIPAL  
REFERRED TO IN PARAGRAPH (h) UNDER THE HEADING  
"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF EVEN DATE**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over Financial reporting of **MANIPAL INDUSTRIES LIMITED**, Manipal (hereinafter referred to as "the Holding Company") and its subsidiary company and its associate company, which are companies incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our 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 consolidated 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 consolidated 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 consolidated 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 Holding Company, its subsidiary company, and its associate company, which are companies incorporated in India, have, 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 March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

**For PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration No.: 009090S

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021

**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership No.: 204685



CIN: U45201KA1961PLC001430

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021**

Particulars	Note No.	31.03.2021		31.03.2020	
		₹	₹	₹	₹
<b>A. EQUITY AND LIABILITIES:</b>					
<b>1. Shareholders Funds</b>					
a) Share Capital	1	1,74,21,960		1,74,21,960	
b) Reserves & Surplus	2	12,84,77,511	14,58,99,471	11,83,03,226	13,57,25,186
<b>2. Non-Current Liabilities</b>					
a) Long term provisions	3		11,55,803		26,13,794
b) Deferred Tax Liability (Net)	9B		4,69,946		-
<b>3. Current Liabilities</b>					
a) Short term borrowings	4		1,06,56,953		90,19,880
b) Trade Payables					
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 5.02)		-		-	
ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5	1,10,40,994	1,10,40,994	1,11,78,925	1,11,78,925
c) Other Current Liabilities	6		68,99,946		78,63,037
d) Short Term Provisions	7		-		4,15,272
<b>TOTAL</b>			17,61,23,113		16,68,16,094
<b>B. ASSETS:</b>					
<b>1. Non-Current Assets</b>					
a) Property, Plant & Equipment:					
Tangible assets	8	68,57,826		76,79,391	
b) Goodwill on consolidation		521		521	
c) Non-current Investments	9A	2,19,21,080		2,45,57,652	
d) Deferred tax assets (Net)	9B	-		4,58,386	
e) Long term loans & advances	9C	72,50,917		71,39,690	
	9D	1,71,633	3,62,01,977	-	3,98,35,640
<b>2. Current Assets</b>					
a) Inventories	10	1,68,23,750		1,70,75,069	
b) Trade Receivables	11	4,40,36,793		4,75,09,229	
c) Cash and Cash equivalents	12	7,76,34,162		6,09,90,752	
d) Short term Loans & Advances	13	8,62,939		7,67,791	
e) Other Current Assets	14	5,63,492	13,99,21,136	6,37,613	12,69,80,454
<b>TOTAL</b>			17,61,23,113		16,68,16,094
Corporate Information, Summary of significant Accounting Policies and Other Disclosures	26				

The notes 1 to 26 are an integral part of these financial statements

As per our Report of Even Date  
For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
Director  
DIN : 00104379

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN : 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
Partner  
(Membership No.: 204685)

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021



CIN: U45201KA1961PLC001430

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

Particulars	Note No.	2020-21		2019-20	
		₹	₹	₹	₹
<b>I. REVENUE</b>					
Revenue from Operations	15	35,51,46,292		50,78,42,698	
Other Income	16	43,08,237		38,68,047	
<b>TOTAL REVENUE</b>		<b>35,94,54,529</b>		<b>51,17,10,745</b>	
<b>II. EXPENSES</b>					
Cost of materials consumed	17	5,97,90,486		7,86,73,218	
Purchases	18	21,30,89,293		30,69,48,614	
Changes in inventories of stock in trade	19	2,51,319		4,36,034	
Employee Benefit Expenses	20	2,36,44,656		2,71,79,625	
Finance Costs	21	3,90,631		5,78,394	
Depreciation	22	7,09,987		7,24,381	
Other Expenses	23	5,32,94,567		8,69,56,164	
<b>TOTAL</b>		<b>35,11,70,939</b>		<b>50,14,96,430</b>	
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>82,83,590</b>		<b>1,02,14,315</b>	
Exceptional Items : Income (Net)	24	43,89,347		1,78,000	
<b>Profit before Extraordinary items and Tax</b>		<b>1,26,72,937</b>		<b>1,03,92,315</b>	
Extraordinary items		-		-	
<b>Profit before Tax</b>		<b>1,26,72,937</b>		<b>1,03,92,315</b>	
Tax Expense (Refer Note 26.19)					
Current Income Tax		15,74,590		25,46,064	
Income Tax - earlier year/s (reversed)		(1,40,842)		(2,14,214)	
		<b>14,33,748</b>		<b>23,31,850</b>	
Less: Deferred Tax Adjustment		<b>9,28,332</b>	<b>23,62,080</b>	<b>2,90,499</b>	<b>26,22,349</b>
<b>Profit after Tax</b>		<b>1,03,10,857</b>		<b>77,69,966</b>	
<b>Profit (Loss) from Associate Company</b>		<b>(1,36,572)</b>		<b>(2,54,019)</b>	
<b>Profit for the year (Consolidated)</b>		<b>1,01,74,285</b>		<b>75,15,947</b>	
Earning Per Equity Share (Equity share of ₹10/- each, refer Note 25.01)	25				
Basic Earning per share		5.82		4.30	
Diluted Earning per share		4.53		3.34	
<b>Corporate Information, Summary of Significant Accounting Policies and Other Disclosures</b>	26				

The notes 1 to 26 are an integral part of these financial statements.

As per our Report of Even Date  
For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
Director  
DIN : 00104379

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN : 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
Partner  
(Membership No.: 204685)

Place : MANIPAL  
Date : 28<sup>th</sup> August, 2021



CIN: U45201KA1961PLC001430

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021**

Particulars	2020-21	2019-20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	₹	₹
Profit for the year Consolidated	1,01,74,285	75,15,947
Adjustment: (Profit)/Loss from Associate Company	1,36,572	2,54,019
	<b>1,03,10,857</b>	<b>77,69,967</b>
<i>Adjustments:</i>		
Tax Expense	23,62,080	26,22,349
Depreciation	7,09,987	7,24,381
Interest Paid	3,10,148	4,17,419
(Profit)/Loss on Sale of Assets (Net)	-	(1,78,000)
Gain on compulsory acquisition of Immovable Property by Govt.	(43,89,347)	-
Interest Income	(30,25,132)	(24,64,762)
Dividend Income	(5,000)	(5,000)
Provision for Gratuity (reversal and gratuity fund income)	(5,86,905)	(7,07,085)
<i>Operating Profit before working capital changes</i>	<b>56,86,687</b>	<b>81,79,269</b>
(Increase)/Decrease in Trade Receivables	34,72,435	51,05,848
(Increase)/Decrease in Inventories	2,51,319	4,36,034
(Increase)/Decrease in Loans & Advances & Other Current Assets	(1,09,265)	(2,41,989)
Increase/(Decrease) in Trade Payables and Other Liabilities	(25,59,013)	36,59,348
<b>Cash generated from operations</b>	<b>67,42,164</b>	<b>1,71,38,509</b>
Less : Income tax paid (Net of Refund)	15,30,858	38,34,801
<b>Cash flow from operating activities (A)</b>	<b>52,11,306</b>	<b>1,33,03,708</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment	(2,09,094)	(14,82,917)
Proceeds from sale of Fixed Assets	-	1,78,000
Proceeds from Compulsory Acquisition of Immovable Property by Govt.	47,10,019	-
Maturity of NHA Bonds	25,00,000	-
Term Deposit (placed with Bank)/Encashed	(2,37,00,000)	(1,05,00,000)
Interest received	30,99,253	25,23,844
Dividend received	5,000	5,000
<b>Net Cash flow from Investing Activities (B)</b>	<b>(1,35,94,822)</b>	<b>(92,76,073)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Borrowings	16,37,073	(4,30,857)
Interest Paid	(3,10,148)	(4,17,419)
Dividend paid	1,82,439	(16,00,582)
Tax on dividend paid	-	(3,58,114)
<b>Net Cash flow from Financing Activities (C)</b>	<b>15,09,364</b>	<b>(28,06,972)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(68,74,151)</b>	<b>12,20,664</b>
<b>Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>2,43,10,032</b>	<b>2,30,89,368</b>
<b>Cash &amp; Cash Equivalents at the the end of the period</b>	<b>1,74,35,881</b>	<b>2,43,10,032</b>

**Note:** 1) Cash Flow Statement is prepared under Indirect Method as prescribed under Accounting Standard 3.  
 2) Cash Balance of Cash & Cash Equivalents does not include deposit with Scheduled Banks with maturity period beyond 3 months.  
 3) Previous year's amounts have been arranged, regrouped and reclassified wherever necessary.

The notes 1 to 26 are an integral part of these financial statements.

As per our Report of Even Date  
 For **PAI NAYAK & ASSOCIATES**  
*Chartered Accountants*  
 Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
*Director*  
 DIN : 00104379

Sd/-  
**T. Harish Pai**  
*Technical Director*  
 DIN : 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
*Partner*  
 (Membership No.: 204685)

Place : MANIPAL  
 Date : 28<sup>th</sup> August, 2021





## NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	2020-21	2019-20
	₹	₹
<b>Note 1:</b>		
<b>SHARE CAPITAL</b>		
(also refer Note 1.01 to 1.03 below)		
<b>Authorised:</b>		
1,00,00,000 Equity Shares of ₹10/- each	10,00,00,000	10,00,00,000
20,00,000 Cumulative Redeemable Preference Shares of ₹10/- each	2,00,00,000	2,00,00,000
	<u>12,00,00,000</u>	<u>12,00,00,000</u>
<b>Issued:</b>		
50,00,000 (P.Y.: 50,00,000) Equity Shares of ₹10/- each	5,00,00,000	5,00,00,000
<b>Subscribed and Paid-up:</b>		
10,00,000 (P.Y. 10,00,000) Equity Shares of ₹10/- each fully paid	1,00,00,000	1,00,00,000
12,47,830 (P.Y. 12,47,830) Equity Shares of ₹10/- each ₹6/- paid	74,86,980	74,86,980
	<u>1,74,86,980</u>	<u>1,74,86,980</u>
Less: Allotment money and calls-in-arrears from persons other than Directors	65,020	65,020
	<u>1,74,21,960</u>	<u>1,74,21,960</u>

### Note 1.01: Reconciliation of number of Equity shares of ₹10/- each

	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Balance as at the beginning of the year (net of calls in arrears)				
Full paid-up	10,00,000	99,42,560	10,00,000	99,42,560
₹6 paid	12,47,830	74,79,400	12,47,830	74,79,400
	<u>22,47,830</u>	<u>1,74,21,960</u>	<u>22,47,830</u>	<u>1,74,21,960</u>
Adjustment during the year	-	-	-	-
Balance as at the end of the year (net of calls in arrears)				
Full paid-up	10,00,000	99,42,560	10,00,000	99,42,560
₹6 paid	12,47,830	74,79,400	12,47,830	74,79,400
	<u>22,47,830</u>	<u>1,74,21,960</u>	<u>22,47,830</u>	<u>1,74,21,960</u>

### Note 1.02: Rights, preferences and restrictions attached to shares

#### Equity shares:

Equity shares have a par value of ₹10 per share. Each shareholder is eligible for one vote for each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company (after distribution of all preferential amounts) in proportion to their shareholding and also after considering the paid-up value of the shares. The partly paid equity shares are entitled for the dividend at the rate as calculated on the paid-up value of the shares.

#### Preference Shares:

Preference shares have a par value of ₹10 per share. Shares are cumulative and therefore the shareholders are entitled to carry forward the dividend of a year/s to the forthcoming year/s, in case the same is not declared in a year. In the event of liquidation, such shareholders are eligible to receive the face value (after distribution of all preferential amounts) before the distribution of assets to the Equity Shareholders. However the Company has not issued the Preference shares and therefore the question of making any other disclosure does not arise.

### Note 1.03: Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity shares	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Percentage	Number of Shares	Percentage
Academy of General Education, Manipal				
Equity shares of ₹10 each, ₹6 paid	11,65,540			
Equity shares of ₹10 each, fully paid-up	<u>2,86,465</u>	14,52,005	64.60%	14,52,005
				64.60%




**NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	2020-21	2019-20
	₹	₹
<b>Note 2:</b>		
<b>RESERVES AND SURPLUS</b>		
(also refer Note 2.01 to 2.03)		
Capital Reserve	46,95,536	46,95,536
General Reserve		
Opening Balance	2,02,66,337	2,02,66,337
Add: Transferred during the year	- 2,02,66,337	- 2,02,66,337
Securities Premium Account	1,86,98,500	1,86,98,500
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	7,46,42,853	6,92,27,216
Add: Profit for the year (below)	1,01,74,285	75,15,947
	8,48,17,138	7,67,43,163
Less: Appropriations (Refer Note 2.01)	- 8,48,17,138	21,00,310
	<u>12,84,77,511</u>	<u>11,83,03,226</u>

**Note 2.01:** Appropriations (made by Holding Company)

Equity Dividend Paid during the year (Refer Note 2.02)

- 17,42,196

Tax on Dividend (Refer Note 2.02)

- 3,58,114

- 21,00,310

**Note 2.02:** The Dividend as disclosed for comparative period, in note 2.01 above pertains to the year ending 31<sup>st</sup> March 2019. The dividend was declared at the 56th annual general meeting of the Company held on 30<sup>th</sup> September 2019. Rate of Dividend for that year was 10% prorata i.e Re 1 per full paid equity shares and Re 0.60 per partly paid equity share.

**Note 2.03:** No dividend declared out of profits of the current reporting period and also no dividend declared out of profits of the comparative reporting period.

**Note 3:**

**LONG TERM PROVISIONS**

(also refer Note 3.01)

Provision for Leave encashment	11,55,803	26,13,794
	<u>11,55,803</u>	<u>26,13,794</u>

**Note 3.01:** The liability in respect of leave encashment: Provision is made on an estimated basis, considering the fact that the amount involved therein is not material.

**Note 4:**

**SHORT TERM BORROWINGS**

(also refer Note 4.01 and 4.02)

**Working Capital Loans – Secured**

**From Banks:**

Against Fixed Deposit	1,06,56,953	90,19,880
	<u>1,06,56,953</u>	<u>90,19,880</u>

**Note 4.01:** Working Capital loans against Term Deposits represents Overdraft facility upto the limit of ₹1,80,00,000 against the hypothecation of Term Deposit.

**Note 4.02:** Interest on overdraft against term deposits is Deposit Rate+0.75%, i.e., varying from 5.20% to 7.15% (PY Deposit Rate+0.75%, i.e., varying from 6.40% to 7.15%) as on 31<sup>st</sup> March 2021.



## NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	2020-21		2019-20	
	₹	₹	₹	₹
<b>Note 5:</b>				
<b>TRADE PAYABLES</b>				
(also refer Note 5.01 and 5.02)				
Micro Enterprises & Small Enterprises				
a) For goods	-		-	
b) For Services	-	-	-	-
Other than Micro Enterprises & Small Enterprises				
a) For goods	71,58,466		68,11,836	
b) For Services	38,82,528	1,10,40,994	43,67,089	1,11,78,925
		<u>1,10,40,994</u>		<u>1,11,78,925</u>

**Note 5.01:** Trade payables are subject to confirmation by vendors and reconciliation. The Company is in the process of obtaining confirmation.

**Note 5.02:** There are no outstanding dues at any time during the year and also at any time during the comparative year, to Micro and Small Enterprises. Accordingly there are no other disclosures required to be made, as required under Para FA to "General Instructions for preparation of Balance Sheet" of Division I of Schedule III to Companies Act, 2013. The status of Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### Note 6:

#### OTHER CURRENT LIABILITIES

Unclaimed dividends	9,98,281	11,80,720
Other Payables		
Dealership Deposits	1,06,500	1,96,500
Statutory Dues payable	35,54,766	31,17,372
Employee Benefits payable	22,40,398	33,68,445
	<u>68,99,946</u>	<u>78,63,037</u>

### Note 7:

#### SHORT TERM PROVISIONS

Provision for Gratuity	-	4,15,272
	<u>-</u>	<u>4,15,272</u>

**Note 7.01:** Provision for Gratuity represents excess of closing value of obligation over closing fair value of plan assets of the Gratuity Fund maintained by the Life Insurance Corporation of India.



## Manipal Industries Limited

### NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

**Note 8 : PROPERTY, PLANT & EQUIPMENT (Tangible Asset)** (also refer Note 8.01 to 8.05) (Previous Year figures have been given separately)

Asset Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 31.03.2020	Additions	Deductions	Cost as on 31.03.2021	Total up to 31.03.2020	Normal Depreciation	Deductions	Total up to 31.03.2021	As on 31.03.2021	As on 31.03.2020
Land – Freehold	₹ 12,94,199	-	-	₹ 12,86,532	₹ -	₹ -	₹ -	₹ -	₹ 12,86,532	₹ 12,94,199
Buildings – Freehold	₹ 54,67,109	-	₹ 7,667	₹ 42,95,900	₹ 17,06,546	₹ 90,245	₹ 8,58,204	₹ 9,38,587	₹ 33,57,313	₹ 37,60,563
Plant & Machinery and Equipments Furniture & Office	₹ 38,24,870	₹ 34,500	-	₹ 38,59,370	₹ 34,29,559	₹ 69,083	-	₹ 34,98,642	₹ 3,60,728	₹ 3,95,311
Equipments	₹ 11,18,570	-	-	₹ 11,18,570	₹ 8,49,591	₹ 57,066	-	₹ 9,06,657	₹ 2,11,913	₹ 2,68,979
Computers	₹ 16,54,321	₹ 1,74,594	-	₹ 18,28,915	₹ 14,96,780	₹ 99,862	-	₹ 15,96,642	₹ 2,32,273	₹ 1,57,541
Vehicles	₹ 38,30,367	-	-	₹ 38,30,367	₹ 20,27,569	₹ 3,93,731	-	₹ 24,21,300	₹ 14,09,067	₹ 18,02,798
<b>TOTAL</b>	<b>₹ 1,71,89,436</b>	<b>₹ 2,09,094</b>	<b>₹ 11,78,876</b>	<b>₹ 1,62,19,654</b>	<b>₹ 95,10,045</b>	<b>₹ 7,09,987</b>	<b>₹ 8,58,204</b>	<b>₹ 93,61,828</b>	<b>₹ 68,57,826</b>	<b>₹ 76,79,391</b>

#### PREVIOUS YEAR'S FIGURES:

Asset Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 31.03.2019	Additions	Deductions	Cost as on 31.03.2020	Total up to 31.03.2019	Normal Depreciation	Deductions	Total up to 31.03.2020	As on 31.03.2020	As on 31.03.2019
Land – Freehold	₹ 12,94,199	-	-	₹ 12,94,199	₹ -	₹ -	₹ -	₹ -	₹ 12,94,199	₹ 12,94,199
Buildings – Freehold	₹ 54,67,109	-	-	₹ 54,67,109	₹ 16,16,301	₹ 90,245	-	₹ 17,06,546	₹ 37,60,563	₹ 38,50,808
Plant & Machinery and Equipments Furniture & Office	₹ 37,11,346	₹ 1,13,524	-	₹ 38,24,870	₹ 32,94,323	₹ 1,35,236	-	₹ 34,29,559	₹ 3,95,311	₹ 4,17,023
Equipments	₹ 8,83,111	₹ 2,35,459	-	₹ 11,18,570	₹ 8,25,228	₹ 24,363	-	₹ 8,49,591	₹ 2,68,979	₹ 57,883
Computers	₹ 15,33,133	₹ 1,21,188	-	₹ 16,54,321	₹ 13,78,885	₹ 1,17,895	-	₹ 14,96,780	₹ 1,57,541	₹ 1,54,248
Vehicles	₹ 34,64,941	₹ 10,12,746	₹ 6,47,320	₹ 38,30,367	₹ 23,18,247	₹ 3,56,642	₹ 6,47,320	₹ 20,27,569	₹ 18,02,798	₹ 11,46,694
<b>TOTAL</b>	<b>₹ 1,63,53,839</b>	<b>₹ 14,82,917</b>	<b>₹ 6,47,320</b>	<b>₹ 1,71,89,436</b>	<b>₹ 94,32,984</b>	<b>₹ 7,24,381</b>	<b>₹ 6,47,320</b>	<b>₹ 95,10,045</b>	<b>₹ 76,79,391</b>	<b>₹ 69,20,855</b>

**Note 8.01:** Note 26.11 relating to impairment of Assets also forms part of this note.

**Note 8.02:** Building Freehold includes the part of the Building given on rent, the income of which is disclosed in Note 16. There are no other Charges on Property, Plant and Equipment.

**Note 8.03:** Borrowing cost capitalised during the year to "property, plant and equipment" is ₹Nil (P.Y.: ₹Nil)

**Note 8.04:** Note No. 26.04 C, which may also be referred to for the disclosure of accounting policy on Property, Plant and Equipment i.e. measurement, depreciation method, useful life etc.



## NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	2020-21	2019-20
	₹	₹
<b>Note 9A:</b>		
<b>NON-CURRENT INVESTMENTS (OTHER THAN TRADE)</b>		
(also refer Note 9A.01 to 9A.05)		
<b>INVESTMENT IN GOVERNMENT SECURITIES</b>		
Bonds of National Highway Authority of India (kept for three years)	-	25,00,000
250 (P.Y.: 250) bonds of ₹10,000/- each (Rate of interest- 5.25% p.a.)		
<b>TOTAL</b>	<b>A</b>	<b>25,00,000</b>
<b>INVESTMENT IN EQUITY INSTRUMENTS AT COST</b>		
<b>(i) Quoted - Fully Paid (other than Trade Investment)</b>		
MANIPAL FINANCE CORPORATION LIMITED		
6,84,875 (P.Y.: 6,84,875) Equity Shares of ₹10/- each	1,36,61,617	1,36,61,617
ICDS LIMITED		
48,387 (P.Y. 48,387) Equity Shares of ₹10/- each	28,41,307	28,41,307
<b>TOTAL</b>	<b>B</b>	<b>1,65,02,924</b>
<b>(ii) Unquoted - Fully Paid</b>		
<b>a. In Associate Company:</b>		
SRI RAMAKRISHNA THEATRE LIMITED		
1,39,418 (P.Y. 1,39,418) Equity Shares of ₹10/- each		
Carrying Value	1,48,68,660	1,50,05,232
Add: Goodwill on Consolidation	62,32,069	62,32,069
	2,11,00,729	2,12,37,301
<b>b. Others:</b>		
MANIPAL CO-OPERATIVE BANK LIMITED		
1 (P.Y. 1) Equity Shares of ₹25/- each	25	25
KARNATAKA RUBBERS LIMITED		
100 (P.Y. 100) Equity Shares of ₹100/- each	10,000	10,000
MANIPAL HOUSING FINANCE SYNDICATE LIMITED		
10,000 (P.Y. 10,000) Equity Shares of ₹10/- each	1,00,000	1,00,000
MPL ENTERPRISES LIMITED		
12,096 (P.Y. 12,096) Equity Shares of ₹10/- each	7,10,326	8,20,351
<b>TOTAL</b>	<b>C</b>	<b>2,19,21,080</b>
<b>(A) + (B) + (C)</b>	<b>3,84,24,004</b>	<b>4,10,60,576</b>
Less: Provision for diminution in the value of Investments	1,65,02,924	1,65,02,924
<b>TOTAL</b>	<b>2,19,21,080</b>	<b>2,45,57,652</b>

**Note 9A.01:** The Group has made due provision for the diminution in the value of the Investments, as a prudential policy adopted by the management. The management is of the opinion that the provisions so made, are adequate which are as follows :

### Quoted:

A) MANIPAL FINANCE CORPORATION LTD.	1,36,61,617	1,36,61,617
B) ICDS LTD.	28,41,307	28,41,307
Total Provisions (Quoted)	1,65,02,924	1,65,02,924

**Note 9A.02:** Aggregate amount of quoted investments (before provisions)

Market Value of quoted investments	Refer Note 9A.03	Refer Note 9A.03
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Aggregate amount of unquoted investments (before provisions)	2,20,57,652	2,20,57,652
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**Note 9A.03:** Aggregate Market value of Quoted investment is ₹Nil (P.Y. ₹Nil) since they are not actively traded.

**Note 9A.04:** Refer Note 26.04.D for accounting policy on valuation of investments.

**Note 9A.05:** The above is to be considered as disclosure under sub-section 4 of Section 186 of Companies Act, 2013.


**NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	2020-21	2019-20
	₹	₹
<b>Note 9B:</b>		
<b>DEFERRED TAX ASSET</b>		
(also refer Note 9B.01 & 9B.02)		
<b>Deferred Tax Assets:</b>		
On Account of Disallowance u/s 43B of Income Tax Act, 1961	2,17,911	7,25,701
Provision for Gratuity	-	1,04,516
<b>Total</b>	<b>2,17,911</b>	<b>8,30,217</b>
<b>Deferred Tax Liability:</b>		
On Account of Depreciation	6,44,661	3,71,831
On Account of Gratuity Assets	43,196	-
<b>Total</b>	<b>6,87,857</b>	<b>3,71,831</b>
Deferred Tax Asset (Liability)(Net)	<b>(4,69,946)</b>	<b>4,58,386</b>
<b>Note 9B.01:</b> As per accounting standard (AS-22) on Accounting for taxes on Income, the major components of deferred tax arising on timing differences are given in the above Note No.9B.		
<b>Note 9B.02:</b> Accordingly deferred tax adjustment charged ₹9,28,332 (P.Y. Charged ₹2,90,499) during the year to the Statement of Profit and Loss.		
<b>NOTE 9C:</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
(also refer Note 9C.01 and 9C.02)		
Unsecured (considered good)		
Income Tax Refundable	36,29,028	35,31,918
Security deposits	36,21,889	36,07,772
	<b>72,50,917</b>	<b>71,39,690</b>
<b>Note 9C.01:</b> Security deposit represents rent deposit, dealership deposit, electricity deposit, telephone deposit etc.		
<b>Note 9C.02:</b> No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or member.		
<b>NOTE 9D:</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Asset in respect of gratuity fund (maintained by LIC)	1,71,633	-
	<b>1,71,633</b>	<b>-</b>
<b>Note 10:</b>		
<b>INVENTORIES</b>		
(also refer Note 10.01)		
Stock in Trade	1,68,23,750	1,70,75,069
	<b>1,68,23,750</b>	<b>1,70,75,069</b>
<b>Note 10.01:</b> For method of valuation, refer Note No. 26.04.E of the Consolidated Financial Statements.		
<b>Note 11:</b>		
<b>TRADE RECEIVABLES (Unsecured &amp; Considered good)</b>		
(also refer Note 11.01 and 11.02)		
Outstanding for more than six months from the due date	9,37,278	6,86,025
Others	4,30,99,515	4,68,23,204
	<b>4,40,36,793</b>	<b>4,75,09,229</b>
<b>Note 11.01:</b> Trade receivables are subject to confirmation by customers and reconciliation. The Company is in the process of obtaining confirmation.		
<b>Note 11.02:</b> No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.		



## NOTES TO ACCOUNTS FORMING PART OF CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDING 31ST MARCH, 2021

Particulars	2020-21		2019-20	
	₹	₹	₹	₹
<b>Note 12:</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
(also refer Note 12.01 and 12.02)				
Cash & Cash Equivalents:				
(As per AS-3 for Cash Flow Statements)				
a) Cash in hand	1,33,294		1,16,327	
b) Cheque and DD's in hand	2,28,311		2,38,358	
c) Balance with Banks				
In Current Account	1,70,74,276	1,74,35,881	2,39,55,347	2,43,10,032
Other Bank Balances				
a) Bank balances earmarked as Unclaimed dividends	9,98,281		11,80,720	
b) Term deposits with Banks pledged as Security for working capital loans	2,25,00,000		3,35,00,000	
c) In other Term Deposit with Scheduled Banks	3,67,00,000	6,01,98,281	20,00,000	3,66,80,720
	<u>7,76,34,162</u>		<u>6,09,90,752</u>	
<b>Note 12.01:</b> Cash and Cash equivalents does not include term deposits kept with the maturity period of beyond 3 months, earmarked balances with banks and bank deposits held as a margin money or security against borrowings etc.				
<b>Note 12.02:</b> The Term Deposits mentioned in "Other Bank Balances" above, represents Term Deposits maturing within 12 months amounting to ₹2,72,00,000 (P.Y. ₹70,00,000) and maturing beyond 12 months amounting to ₹3,20,00,000 (P.Y. ₹2,85,00,000) from the date of the Balance Sheet.				
<b>Note 13:</b>				
<b>SHORT TERM LOANS AND ADVANCES</b>				
(also refer Note 13.01 and 13.02)				
Unsecured:				
Other Advances				
Considered Good		8,62,939		7,67,791
		<u>8,62,939</u>		<u>7,67,791</u>
<b>Note 13.01:</b> Other Advances represent security deposits for work, building deposits, departmental deposits and advances made in the ordinary course of business which are not material in nature. These advances are subject to confirmation.				
<b>Note 13.02:</b> No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or a member.				
<b>Note 14:</b>				
<b>OTHER CURRENT ASSETS</b>				
Unsecured and considered good				
Interest Receivable on Bank Deposit, etc.		5,63,492		6,37,613
		<u>5,63,492</u>		<u>6,37,613</u>

**NOTES TO ACCOUNTS FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2021**

Particulars	2020-21		2019-20	
	₹	₹	₹	₹
<b>Note 15:</b>				
<b>REVENUE FROM OPERATIONS</b>				
(also refer Note 15.01)				
Sale of Goods & Services (net of Indirect Taxes)				
Sale of Goods less returns	22,62,09,649		32,38,77,175	
Construction contract revenue recognised	12,73,60,747	35,35,70,396	18,12,16,480	50,50,93,655
Other Operating Revenue		15,75,896		27,49,043
		<u>35,51,46,292</u>		<u>50,78,42,698</u>

**Note 15.01:** Note No. 18.01 also forms part of this note, which may be referred to.

<b>Note 16:</b>				
<b>OTHER INCOMES</b>				
(also refer Note 16.01 & 16.02)				
Building Rent	6,91,200		6,91,200	
Dividend from Long term Investments (Non-Trade)	5,000		5,000	
Interest Income	30,25,132		24,64,762	
Provision for Gratuity Reversed and Income of Gratuity Fund Asset	5,86,905		7,07,085	
	<u>43,08,237</u>		<u>38,68,047</u>	

**Note 16.01:** Interest Income represents Interest on Bank & Other deposits/advances and on Income tax refund.

**Note 16.02:** Income by way of Building Rent as disclosed in the above note, represents rent on immovable property on the cancellable operating lease.

<b>Note 17:</b>				
<b>COST OF MATERIAL CONSUMED</b>				
(also refer Note 17.01)				
Raw Materials Consumed	5,97,90,486		7,86,73,218	
	<u>5,97,90,486</u>		<u>7,86,73,218</u>	

**Note 17.01:** Raw Material Consumed as above, represents Construction Materials consumed in execution of Contract work. There are no opening and closing inventory of such items. Accordingly the Purchase of the Construction Materials is ₹5,97,90,486 (P.Y. ₹7,86,73,218) considered as Raw Materials Consumed. There are no other materials involved in the above consumption.

<b>Note 18:</b>				
<b>PURCHASES</b>				
(also refer Note 18.01)				
Purchase less returns	21,30,89,293		30,69,48,614	
	<u>21,30,89,293</u>		<u>30,69,48,614</u>	

**Note 18.01:** Information as to stock, purchase and sales

					Amount in ₹	
Sl. No.	Particulars	Opening Stock	Purchases	Sales	Closing Stock	
1.	<b>RELATING TO GOODS:</b>					
	Trading Stock:					
a.	Electrical Items	Current Year	<b>1,17,36,447</b>	<b>3,14,72,760</b>	<b>3,59,59,965</b>	<b>1,13,81,523</b>
		Previous Year	1,27,37,145	4,73,25,879	5,32,50,678	1,17,36,447
b.	Petrol, H S Diesel & Lubricants	Current Year	<b>39,66,759</b>	<b>17,88,71,246</b>	<b>18,61,68,811</b>	<b>43,12,754</b>
		Previous Year	39,68,241	25,67,23,235	26,69,17,388	39,66,759
c.	Construction Materials	Current Year	<b>13,71,863</b>	<b>27,45,287</b>	<b>40,80,873</b>	<b>11,29,472</b>
		Previous Year	8,05,716	28,99,500	37,09,109	13,71,863
	<b>TOTAL</b>	Current Year	<b>1,70,75,069</b>	<b>21,30,89,293</b>	<b>22,62,09,649</b>	<b>1,68,23,750</b>
		Previous Year	1,75,11,103	30,69,48,614	32,38,77,175	1,70,75,069
2.	<b>RELATING TO SERVICES:</b>					
	Construction contract revenue recognised	Current Year		<b>12,73,60,747</b>		
		Previous Year		18,12,16,480		



## NOTES TO ACCOUNTS FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2021

Particulars	2020-21	2019-20
	₹	₹
<b>Note 19:</b>		
<b>CHANGES IN INVENTORY OF STOCK IN TRADE</b>		
(also refer Note 19.01)		
Opening Stock		
Stock in Trade	1,70,75,069	1,75,11,103
Less: Transitional Input Credit in respect of Excise Duty Paid	-	-
Closing Stock		
Stock in Trade	1,68,23,750	1,70,75,069
	<u>2,51,319</u>	<u>4,36,034</u>

**Note 19.01:** Note 18.01 also forms part of this note, which may be referred to.

### Note 20:

#### EMPLOYEES' BENEFITS EXPENSE

(also refer Note 20.01)

Salaries and Wages, Incentive allowances	1,76,85,931	2,11,63,661
Leave encashment	2,36,644	7,27,979
Bonus	4,79,273	5,59,608
Contribution to Provident and other funds	28,72,712	31,92,288
Gratuity	14,07,239	4,00,000
Contribution to ESI	5,53,564	6,68,823
Staff Welfare Expenses	4,09,293	4,67,266
Provision for Gratuity	-	-
	<u>2,36,44,656</u>	<u>2,71,79,625</u>

**Note 20.01:** Disclosure as required under Accounting Standard 15 i.e. Employee benefits is given under Note No. 26.14

### Note 21:

#### FINANCE COSTS

Interest on Bank Overdraft	3,10,148	4,17,419
Bank Charges	80,483	1,60,975
	<u>3,90,631</u>	<u>5,78,394</u>

### Note 22:

#### DEPRECIATION & AMORTIZATION EXPENSES

Depreciation on Tangible Assets (also refer Note 8)	7,09,987	7,24,381
	<u>7,09,987</u>	<u>7,24,381</u>

### Note 23:

#### OTHER EXPENSES

(also refer Note 23.01)

Freight Inwards	1,57,142	2,10,224
Wages & Other Constructions Expenses	4,54,42,970	7,70,36,934
Repairs & Maintenance:		
Building Repairs	35,957	25,584
Other Repairs	16,90,528	18,84,919
Payment to Auditor		
Statutory Audit	3,28,450	3,28,450
Certification Services	-	2,000
Taxation Matters	2,10,000	60,000
GST	96,922	70,282
Insurance	1,55,492	1,88,537
Directors' Sitting fees	12,000	11,250
Indirect taxes	26,000	10,135
Bad debt written off	21,729	86,790
Printing & Stationery	3,08,730	5,27,458
Light & Water Charges	3,17,919	3,30,139
Rent	3,60,000	3,14,700
Rates, Taxes and Filing Fees	2,17,346	1,76,753





**NOTES TO ACCOUNTS FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2021**

Particulars	2020-21		2019-20	
	₹	₹	₹	₹
Travelling Expenses		18,310		38,255
Telephone Charges		2,53,916		2,84,760
Donation		-		5,500
Legal and Professional Charges		11,24,865		18,32,774
Other Expenses		25,16,291		35,30,720
<b>TOTAL</b>		<b>5,32,94,567</b>		<b>8,69,56,164</b>

**Note 23.01:** Rent as disclosed in the above note, represents rent on immovable property on the cancellable operating lease.

**NOTE 24:**

**EXCEPTIONAL ITEMS**

<b>I. EXCEPTIONAL INCOME:</b>	<b>A</b>		
Gain on compulsory acquisition of Immovable Property by Govt.		43,89,347	1,78,000
		<u>43,89,347</u>	<u>1,78,000</u>
<b>II. EXCEPTIONAL EXPENSES:</b>	<b>B</b>		
		-	-
		<u>-</u>	<u>-</u>
<b>NET INCOME (EXPENSE)</b>		<b>43,89,347</b>	<b>1,78,000</b>

**NOTE 25:**

**EARNING PER EQUITY SHARE**

(also refer Note 25.01)

a) Net Profit available for equity shareholders (Used as numerator)	1,01,74,285	75,15,947
b) Weighted average No. of equity shares (Used as denominator)	17,48,698	17,48,698
c) <b>Basic Earnings per share (a/b)</b>	<b>5.82</b>	<b>4.30</b>
d) No. of Equity Shares (diluted) (Used as denominator)	22,47,830	22,47,830
e) <b>Diluted Earnings per share (a/d)</b>	<b>4.53</b>	<b>3.34</b>

**Note 25.01:** There are no extraordinary items and therefore the question of calculating earning per share after adjusting such items does not arise. Out of the above 22,47,830 shares 10,00,000 shares are of ₹10 each fully paid and 12,47,830 shares are of ₹10 each, ₹6 paid.

**NOTES TO CONSOLIDATED BALANCE SHEET & STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31ST MARCH 2021**

**NOTE 26: CORPORATE INFORMATION, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES**

**COMPANY OVERVIEW**

The Registered Office of Manipal Industries Limited (the "Company") is at Manipal (State: Karnataka). The main business of the Company is to undertake and execute civil construction contracts, to trade in electronic goods, Petrol/Diesel, Lubricants and related items etc. The details of Subsidiary and Associate Companies of the Company disclosed vide Note 26.03. In this consolidated financial statement the term "Group" and "Company" are being used interchangeably.

In this financial statement the amounts are rounded off to nearest rupee.

**26.01 Principles of Consolidation**

The Consolidated Financial Statements related to Manipal Industries Limited and its Subsidiary (hereinafter collectively referred to as "the Group") and its Associate has been prepared on the following basis:

- The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating inter-company balances and transactions and unrealized profits or losses in accordance with the Accounting Standard 21 "Consolidated Financial Statements".
- Investment in subsidiary is eliminated and difference if any, between cost of investment over the net assets on the date of investment, or on the date of the financial statements immediately preceding the date of investment in subsidiary will be recognized as Goodwill or Capital Reserve as the case may be.
- The difference if any, between the proceeds from disposal of investment in a subsidiary and the proportionate carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiaries.



- iv) In case of Associates (where the Company directly or indirectly through its subsidiaries holds 20% or more of equity investments), the equity investment is accounted by using "Equity Method" in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". The Company accounts for its share in the change in the net assets of the Associate, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the Associate's Statement of Profit and Loss, based on the available information. The difference if any, between the cost of investment in the Associate and the share of net assets at the time of acquisition of shares in the Associate is identified in the Financial Statements as Goodwill or Capital Reserve as the case may be.
- v) As per "Equity method", if the Company's share of losses of the Associate equals or exceeds the carrying amount of the Investment, the Company ordinarily discontinues recognizing its share of further losses and the Investment is reported at NIL Value. Additional losses are provided for to the extent the Company has incurred obligations or made payments on behalf of the Associate to satisfy obligations of the Associate that the Company has guaranteed or to which the Company is otherwise committed. If the Associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognized.
- vi) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Standalone Financial Statements.

**26.02** Investments other than in Subsidiary and Associate are accounted as per Accounting Standard-13 "Accounting for Investments".

## **26.03 Basis of preparation of Consolidated Financial Statements**

- a) The Subsidiary Company considered for Consolidation is:

Name of the Company	Country of Incorporation	Extent of Holding and Voting Power	
		As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
TVP Consultants Limited	India	100%	100%

- b) The Associate Company considered for Consolidation is:

Name of the Company	Country of Incorporation	Extent of Holding and Voting Power	
		As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Sri Ramakrishna Theatre Limited	India	30.98%	30.98%

- c) The Financial Statements of the Company and its Subsidiary & Associate used in consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. year ended March 31, 2021.

## **26.04 Other Significant Accounting Policies**

These policies are set out under "Significant Accounting Policies" as below:

### **A. Basis of Accounting and Revenue Recognition:**

The Consolidated financial statements of the Group and Associate have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 i.e. the Companies (Accounting Standard) Rules 2006 read with Companies (Accounting Standard) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.

The accounts are prepared under historical cost convention and all significant items of income and expenditure are accounted on accrual system of accounting. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

Revenue from "Fixed Price" construction contracts recognized under "Percentage of Completion Method", is measured by reference to the percentage of work completed up to the date of the Balance Sheet, to the total value of work for each contract. Work-in-Progress if any, comprises of cost incurred for such contract/s, wherever such work are in the initial stages. Accordingly, the amounts due to/from customers for contract work is being arrived at. Such dues are being disclosed as "Trade Receivables" under the head "Current Assets" or as "Advance from Customers", under the head "Current Liabilities" as the case may be.

Revenue from "Sale of Goods" is recognized when significant risks and rewards in respect of ownership are transferred to customers. Income of the nature "Interest" is recognized on the time proportionate method. "Dividend Income" is recognized when the unconditional right to receive the income is established. Income by way of "Rent on Building" in respect of cancellable operating lease is recognized on accrual basis over the period of lease.

### **B. Use of Estimates:**

The preparation of standalone financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and estimates are being recognised in the period in which the results are known/materialized.

### C. Tangible Assets & Depreciation (i.e. Property, Plant and Equipment):

The Group is following "Cost Model" to disclose Property, Plant and Equipment.

Freehold land is carried at historical cost. All other items of 'Property, Plant and Equipment' are stated at historical cost less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties and levies. Such cost includes the cost of replacing parts of the 'Property, Plant and Equipment' and the borrowing cost till the date of installation of qualifying asset and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of 'Property, Plant and Equipment' and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of 'Property, Plant and Equipment' as a replacement if the recognition criteria are satisfied. Machinery spares if any, which are specific to a particular item of 'Property, Plant and Equipment' and whose use is expected to be irregular are capitalized as 'Property, Plant and Equipment'.

Spare parts if any, are capitalized when they meet the definition of 'Property, Plant and Equipment' i.e., when the Group intends to use these for more than a period of 12 months.

The Fixed Tangible Assets held by the Group does not involve decommissioning cost and the cost of removal of such assets is not material considering the size of the Group. Considering this aspect, the Group has not made any policies for capitalizing the decommissioning cost.

Depreciation on 'Property, Plant & Equipment' generally is provided on the straight line method over the useful lives of the assets in terms of Schedule II of the Companies Act, 2013. Depreciation for the assets purchased/sold during the period is proportionately charged. Improvements to buildings are amortized over the period of remaining useful life of the building. The residual values, useful lives and methods of depreciation of 'Property, Plant and Equipment' are reviewed at each financial year end and adjusted prospectively, if appropriate and under such circumstances the appropriate disclosure will be made in the notes to accounts.

### D. Investments:

Long Term Investments are stated at cost. The Group has the policy of making provisions for diminution in the value of investments to recognize decline, other than temporary. The Group does not own any immovable property held as investments and accordingly has not made any policies for such investments.

### E. Inventory:

Stock of Inventory i.e. Raw Materials, Work-in-Progress, Trading materials etc. are valued at lower of cost or net realizable value adopting First in First Out Method (i.e., FIFO). Cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost also includes expenses incurred towards wages and other related items. Spare parts which do not meet definition of Property, Plant and Equipment, i.e. when the Group intends to use these during the period of 12 months or less, are being considered as Inventory. The FIFO formula assumes that the items of inventory that were purchased or produced first are sold or utilized first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced. Cost of work-in-progress (if any) is determined on the basis of cost attributable to the contract.

### F. Tax on Income:

The Group has charged off the Current Income Tax to the Statement of Profit and Loss. Deferred Tax Assets/Liabilities recognised/provided are in accordance with the Accounting Standard 22. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date, on the timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax Asset is recognised, subject to the considerations of prudence. Deferred tax asset so recognised, is being netted off to deferred tax liability or vice versa. Advance Income Tax Paid (including Tax deducted at source, tax paid on self-assessment or otherwise) and provision for current Income Tax (if any) are presented in the Balance Sheet after setting off the same against each other.

### G. Employee Benefits:

The Group's "Retirement Benefit Plan" & "other Benefit plans" comprises of Contribution to Provident Fund, Employee State Insurance, and Gratuity and leave encashment. Contribution to provident fund and Employee State Insurance is being made at pre-determined rates and are charged to the Statement of Profit & Loss. The Group's Liability to Gratuity to employees is covered by Group Gratuity Policy of Life Insurance Corporation of India and accordingly the premium paid, is charged to the Statement of Profit & Loss. Deficit/Surplus of present value of obligations (under Gratuity policy) over the fair value of Gratuity plan asset duly charged/recognized to the Statement of Profit & Loss, on year to year basis. Provision for leave encashment is being made on estimated basis. There are no other retirement & employee benefits being provided by the Group.



## H. Borrowing Costs:

Borrowing costs are recognized as an expense in the year in which they are incurred except those which are directly attributable to acquisition/construction of qualifying fixed assets (as defined under Accounting Standard 16), till the time such assets are ready for use, in which case the borrowing costs are capitalized as part of the cost of the asset.

## I. Contingent Liabilities/Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions not made in the account (which otherwise should have been made) are disclosed by way of appropriate note. Contingent liabilities (if any) are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the consolidated Financial Statements.

## J. Impairment of Assets:

The Group has framed the policy of impairing the asset, when carrying value of the assets exceeds its recoverable amount, under the circumstances when the Group is having the sources of information (whether internal or external) that an impairment loss may have occurred. Accordingly, impairment losses will be charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment losses recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

## K. Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share, if any, is computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

## L. Lease Transactions:

Rent paid/payable on cancellable operating lease, charged to the Statement of profit and loss on accrual basis over the term of the lease on straight line basis. Rent received/receivable on the cancellable operating lease, recognised as income on accrual basis, over the term of the lease on straight line basis.

## M. Operating Cycle:

Based on the nature of activities, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## N. Cash Flow Statement

The Group has prepared the Cash Flow Statement in compliance with the Section 129 read along with the Section 2(40) of the Companies Act, 2013. Cash flows are reported using the indirect method, whereby profit/(loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information. Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## O. Segment Reporting

Segment information is being decided by the management of the Company after considering the nature of business that being carried on by the Company and accordingly disclosed in this consolidated financial statement. The Company is operating in one geographical segment and accordingly furnishing of segment information on the basis of geographical basis not applicable.

## P. Events occurring after the Balance Sheet Date:

Dividends if any pertaining to the financial year, but declared after the Balance Sheet, not recognized as a liability and the same is being disclosed in the notes to accounts.

### 26.05 Disclosure as required under Schedule III to Companies Act 2013 is given as below:

Amount in ₹

Type and Name of the Entity	Share in Net Assets (Total Assets – Total Liabilities)		Share in Profit or (Loss)	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)
<b>PARENT</b>				
<b>Indian</b>	98.56	14,38,01,255	101.51	1,03,27,439
1. Manipal Industries Ltd.	[P.Y. 98.34]	[P.Y. 13,34,73,818]	[P.Y. 103.16]	[P.Y. 77,53,146]
<b>SUBSIDIARY</b>				
<b>Indian</b>	0.003	4,919	(0.17)	(16,582)
1. TVP Consultants Ltd.	[P.Y. 0.02]	[P.Y. 21,499]	[P.Y. 0.22]	[P.Y. 16,820]
<b>ASSOCIATE</b>				
<b>Indian</b>	1.437	20,93,297	(1.34)	(1,36,572)
1. Sri Ramakrishna Theatre Ltd.	[P.Y. 1.64]	[P.Y. 22,29,869]	[P.Y. (3.38)]	[P.Y. (2,54,019)]
<b>TOTAL</b>	100	14,58,99,471	100	1,01,74,285
	[P.Y. 100]	13,57,25,186	[P.Y. 100]	75,15,947



**26.06** Details of valuation of Investments in Associate Companies as required by AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" are as follows:

Amount in ₹

Particulars	2020-21	2019-20
Name of the Associate: Sri Ramakrishna Theatre Ltd.		
Ownership Interest	30.98%	30.98%
Original Cost of Investments	1,90,07,432	1,90,07,432
Amount of Goodwill on Consolidation	62,32,069	62,32,069
Share of Post-Acquisition Profits	20,93,297	22,29,869
Carrying value of investments (without considering Goodwill) in the Balance Sheet	1,48,68,660	1,50,05,232
Carrying value of Investments in the Balance Sheet	2,11,00,729	2,12,37,301

**26.07** Goodwill on Consolidation represents amount attributable to Subsidiary Company ₹521/-. Goodwill on Consolidation in respect of Associate Company amounting to ₹62,32,069/-, disclosed separately as addition to carrying cost of investments in Note 9A.

**26.08** The net worth of the Subsidiary Company is fully eroded due to the losses, since the Subsidiary Company has made due provisions for reduction in the value of investment, during the earlier years. However, the Subsidiary Company has prepared the Financial Statement on a Going Concern Basis, considering the future plans of action of the investee Company. Accordingly, the management of the subsidiary company is of the opinion that the losses as aforesaid will not adversely affect the financial position of the Subsidiary Company. However, the Holding Company has made full provision for the investment made in the subsidiary company, which fully covers the loss incurred by the aforesaid Company. Considering the same, no further provision is required in the consolidated financial statements. The net worth of the Company after considering the aforesaid provision is positive. Therefore, the loss incurred by the subsidiary company will not have further financial effect on the Group.

#### **26.09 Contingent Liability:**

There are no contingent liabilities as on 31<sup>st</sup> March 2021.

**26.10** List of related parties with whom the transactions have taken place during the year:

- Key Management Personnel: Sri T. Harish Pai, Manipal (the Technical director)
- Relative of Key Management Personnel: Mrs. Kanchana Pai
- Sri Ramakrishna Theatre Limited, Udupi (Associate Company)
- Academy of General Education, Manipal (Major Shareholder)

The details of transactions are as follows:

Particulars	Current Year ₹	Previous Year ₹
A. Remuneration Paid during the year (including Management contribution to PF, perquisites etc.) Key Management Personnel: Sri T. Harish Pai ₹14,49,368 (P.Y.: ₹15,98,948)	14,49,368	15,98,948
B. Professional charges paid during the year Relative of Key Management Personnel: Smt. Kanchana Pai ₹1,20,000/- (P.Y.: ₹2,40,000)	1,20,000	2,40,000
C. Construction revenue accrued during the year from Major Shareholder Academy of General Education ₹3,55,045/- (P.Y.: ₹2,50,225)	3,55,045	2,50,225
D. Amount of Trade Receivables as on reporting date from Major Shareholder Academy of General Education ₹21,686/- (P.Y.: ₹1,24,463)	21,686	1,24,463
E. Investments held as on the Balance Sheet Date: In equity shares of Associate Company Sri Ramakrishna Theatre Limited 1,39,418 equity shares of ₹10 each ₹1,90,07,432/- (P.Y.: ₹1,90,07,432)	1,90,07,432	1,90,07,432

Related Party Transactions given above are as identified by the Management and is being arrived at after eliminating inter Company balances and transactions if any.

Commitments with related parties:

As at year end March 31, 2021, there is no commitment outstanding with any of the related parties.



The remuneration to KMPs do not include provisions for gratuity as separate actuarial valuation are not available.

The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

- 26.11** The management is of the opinion that the carrying cost of the assets does not exceed its recoverable amount. Further the Group does not have any information whether internal or external, that indicates that "impairment loss may have occurred". Accordingly, the question of impairment of assets does not arise.
- 26.12** The Board is of the opinion that the assets listed under "Current and Non-Current Assets" (as included under Note No. 9C to 14) have in the ordinary course of business, value equal to the amount at which they are stated in the Balance Sheet.
- 26.13** The Group during the year is operating under one geographical segment. Hence, segment reporting on geographical basis is not applicable. However, the Group is operating under two business segments namely Trading and Construction. The business-wise segment reporting is disclosed as below:

Amount in ₹

PARTICULARS		TRADING	CONSTRUCTION	OTHERS	TOTAL
<b>REVENUE</b>					
External	<b>CY</b>	<b>22,77,85,545</b>	<b>12,73,60,747</b>	-	<b>35,51,46,292</b>
	PY	32,65,86,218	18,12,16,480	26,000	50,78,28,698
Internal	<b>CY</b>	-	-	-	-
	PY	-	-	-	-
<b>TOTAL</b>	<b>CY</b>	<b>22,77,85,545</b>	<b>12,73,60,747</b>	-	<b>35,51,46,292</b>
	PY	32,65,86,218	18,12,16,480	26,000	50,78,28,698
<b>RESULT</b>					
Segment Result	<b>CY</b>	<b>1,30,62,347</b>	<b>1,96,06,656</b>	<b>(16,582)</b>	<b>3,26,52,421</b>
	PY	1,77,03,740	2,26,61,582	19,300	4,03,84,622
Unallocable Expenditure	<b>CY</b>	-	-		<b>1,95,88,853</b>
	PY	-	-		2,94,13,913
Operating Profit (EBIT)	<b>CY</b>				<b>1,30,63,568</b>
	PY				1,09,70,709
Interest & Financial Charges	<b>CY</b>	-	-		<b>3,90,631</b>
	PY	-	-		5,78,394
Profit Before Tax (PBT)	<b>CY</b>				<b>1,26,72,937</b>
	PY				1,03,92,315
Provision for Current Tax	<b>CY</b>				<b>15,74,590</b>
	PY				25,46,064
(Excess)/Short Provision for Tax of earlier years	<b>CY</b>	-	-		<b>(1,40,842)</b>
	PY	-	-		(2,14,214)
Adjustment for Deferred Tax	<b>CY</b>				<b>9,28,332</b>
	PY				2,90,499
Profit after Tax	<b>CY</b>				<b>1,03,10,857</b>
	PY				77,69,966
Share of Profit (Loss) of Associate	<b>CY</b>				<b>(1,36,572)</b>
	PY				(2,54,019)



Amount in ₹

PARTICULARS		TRADING	CONSTRUCTION	OTHERS	TOTAL
Consolidated Profit	CY				1,01,74,285
	PY				75,15,947
OTHER INFORMATION					
Segment Assets	CY	2,70,69,749	4,02,09,110		6,72,78,859
	PY	2,74,12,241	4,37,72,461		7,11,84,702
Unallocated Assets	CY	-	-		10,88,44,254
	PY	-	-		9,56,31,392
Total Assets	CY				17,61,23,113
	PY				16,68,16,094
Segment Liabilities	CY	55,130	71,03,337	10,072	71,68,538
	PY	4,11,390	64,00,446	10,072	68,21,908
Unallocated Liabilities	CY				2,30,55,104
	PY	-	-		2,42,69,000
Total Liabilities	CY				3,02,23,642
	PY				3,10,90,908
Depreciation included in Segment Result	CY	2,09,392	5,00,595		7,09,987
	PY	2,09,635	5,14,746		7,24,381
Significant Non-Cash Expenses (other than depreciatin)	CY	-	-	-	-
	PY	-	-	-	-

**26.14** The Group and its Associate 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 on 31<sup>st</sup> March, 2021.

#### 26.15 Employee Benefit:

Brief description of the Plans:

- a) The Holding Company has two schemes for long term benefits such as provident fund and gratuity. In case of funded schemes, the funds are recognized by the Income tax authorities and administered through trustees/appropriate authorities. The Holding Company's defined contribution plan is employees' provident fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) wherein the Holding Company has no further obligation beyond making the contributions.

The Holding Company is also contributing towards Employee State Insurance Plan, as per statutory requirements, wherein the Holding Company has no further obligation beyond making the contributions.

The Holding Company is also providing employee benefit by way of encashment of earned leave. The provision for the same has been made on estimated basis. The amount involved thereon is not material, considering the size of the Holding Company. The Holding Company has not opted for actuarial valuation, considering the cost involved and also the concept of materiality.

The Holding Company's defined benefit plan is gratuity.

There is no employee cost in the Subsidiary Company and accordingly all the information in this note pertains to Holding Company.

- b) Charge to the Statement of Profit and Loss based on contributions:

The Holding Company's contribution to Provident Fund charged to Statement of Profit and Loss during the year is ₹28,72,712 (P.Y.: ₹31,92,288) (which includes other charges such as administration charges etc.).

The Holding Company's Contribution to Employee State Insurance Plan charged to Statement of Profit and Loss during the year is ₹5,53,564 (P.Y.: ₹6,68,823).

The details of provision for leave encashment are as under: Provision as on 1<sup>st</sup> day of April 2020 is ₹26,13,794 (P.Y.: ₹23,66,352). Amount charged to the Statement of profit & loss during the year is ₹2,36,644 (P.Y.: ₹7,27,979). Actual payment during the year: ₹16,94,635 (P.Y.: ₹4,80,537) Provision as on 31<sup>st</sup> day of March 2021 ₹11,55,803 (P.Y.: ₹26,13,794).

The amount of premium contributed to LIC of India towards Group Gratuity Premium is ₹14,07,239 (P.Y.: ₹4,00,000).



- c) The disclosures for defined gratuity benefit plans based on actuarial reports obtained from Life Insurance Corporation of India as on 31.03.2021 is given as under:

	2020-21	2019-20
<b>1. Principal actuarial assumptions used:</b>		
Discount rate (p.a.)	7.00%	7.00%
Salary Escalation	5.00%	7.00%
	₹	₹
<b>2. Changes in present value of obligation:</b>		
Opening value of obligations	93,12,786	86,77,670
Current service cost	4,99,972	4,35,548
Interest cost	6,51,895	6,50,825
Actuarial loss/(gain)	(7,30,970)	(8,61,469)
Benefits paid	(10,84,239)	(4,50,692)
Closing value of obligations	86,49,444	84,51,882
<b>3. Changes in Fair Value of Assets:</b>		
Opening fair value of plan assets	80,36,610	75,55,313
Expected/Actual return on plan assets	6,10,013	6,08,026
Contributions by employer	12,58,694	3,23,963
Benefits paid	(10,84,239)	(4,50,692)
Closing fair value of plan assets	88,21,077	80,36,610
<b>4. Fair value of Assets:</b>		
Fair value of plan assets as at beginning of the Year	80,36,610	75,55,313
Actual return on plan assets	6,10,013	6,08,026
Contributions	12,58,694	3,23,963
Benefits Paid	(10,84,239)	(45,692)
Fair value of plan assets as at year end	88,21,077	80,36,610
Funded Status	1,71,633	(4,15,272)
<b>5. Actuarial Gain/Loss recognized</b>		
Actuarial (Gain)/Loss on Obligations	7,30,970	8,61,469
Actuarial (Gain)/Loss for the year- plan assets	Nil	Nil
Actuarial (Gain)/Loss on Obligations	(7,30,970)	(8,61,469)
Actuarial (Gain)/Loss recognized in the year	(7,30,970)	(8,61,469)
<b>6. Amount Recognized in the Balance Sheet:</b>		
Present value of obligations as at year end	86,49,444	84,51,882
Fair value of plan assets as at year end	88,21,077	80,36,610
Funded Status	(1,71,633)	(4,15,272)
Net asset/(liability) recognized	(1,71,633)	(4,15,272)
<b>7. Expenses Recognized in the Statement of Profit and Loss:</b>		
Current Service cost	4,99,972	4,35,548
Interest Cost	6,51,895	6,50,825
Expected return on plan assets	(6,10,013)	(6,08,026)
Net actuarial loss/(gain) recognized in the current year	(7,30,970)	(8,61,469)
Effect of the limit in Para 59(b) of AS 15	*	*
<b>Total expense</b>	<b>(1,89,116)</b>	<b>(3,83,122)</b>

(\*)Information not furnished by Life Insurance Corporation of India.

The Holding Company has written to Life Insurance Corporation of India to furnish information of the Defined Gratuity Benefit Plan, in the manner required under Accounting Standard 15. Accordingly, the Life Insurance Corporation of India has given the information as given above, which has been relied by the Auditors.





The Holding Company ceased to be the Small & Medium Sized Company during the Financial year 15-16 and accordingly has recognized the Gratuity Fund Asset/(Liability) (net) from that year. Accordingly, the data for defined gratuity benefit obligation and fair value of planned assets are given for three years as below:

Amount in ₹

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Closing value of obligation	<b>86,49,444</b>	84,51,882	86,77,670	68,22,411	53,72,867
Closing fair value of plan assets	<b>88,21,077</b>	80,36,610	75,55,313	63,99,640	56,66,168
Net asset/(liability) recognized	<b>1,71,633</b>	(4,15,272)	(11,22,357)	(4,22,771)	2,93,301

**26.16** There are no pending litigations that would impact the financial position of the Group and the Associate in the financial statement.

**26.17** The Group and its Associate did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

**26.18** Impact of Covid-19 Global Pandemic:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Group, however, believes strongly that its offerings to the customer would not significantly impact its revenues.

- The impact on future revenue streams could come from lower sales of Petrol, HS Diesel & Lubricants, Electrical items, Construction Materials and also from Construction revenue. The Company expects the revenue to be back to the existing levels post the pandemic. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.
- The Company has analysed its liquidity position and the recoverability and carrying value of its assets comprising property, plant and equipment, investment, advances, trade receivables. Deferred taxes, other assets etc. Further the whole of the borrowing from Bank, is secured against pledge of Bank Term Deposits and accordingly there will not be any repayment obligations of Bank Borrowings. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the aforesaid assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these standalone financial statements.
- Due to the uncertain nature of the pandemic, the Company will continue to be vigilant on various developments/impacts in the future so as to insulate itself from any material adverse impact.

**26.19** No amounts are required to be transferred to the credit of Investor education and protection fund.

**26.20** The salient features of the Subsidiary and Associate as required under Section 129(3) of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules 2014 in Form AOC-1 is given separately.

**26.21** Previous year's figures are regrouped, rearranged or reclassified wherever necessary or relevant.

As per our report of even date  
For **PAI NAYAK & ASSOCIATES**  
Chartered Accountants  
Registration Number: 009090S

Sd/-  
**T. Ashok Pai**  
Director  
DIN : 00104379

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN : 00332817

Sd/-  
**CA AMMUNJE VENKATESH NAYAK**  
Partner  
Membership Number : 204685

Place : Manipal  
Date : 28<sup>th</sup> August, 2021



# Manipal Industries Limited

## FORM NO. AOC – 1

(Pursuant to sub-section (3) of Section 129 of the Act and Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing the salient features of financial statements of Subsidiary/Associate Companies

### Part “A” : Subsidiaries

(Amount in ₹)

Name of Subsidiary Company	T V P Consultants Ltd.
Issued & Subscribed Capital	24,53,000/-
Reserves & Surplus	(1,15,06,088/-)
Total Assets	14,470/-
Total Liabilities	90,67,558/-
Investments	See note below
Turnover	Nil
Profit/(Loss) before Tax	(16,582/-)
Provision for Tax	0-
Profit/(Loss) after Tax	(16,582/-)
Proposed Dividend	-
% of shareholding	100.00%

**Note:** Investments made ₹1,33,97,737/- is not disclosed since the company has made full provision for the diminution in the value.

### Part “B” : Associates and Joint Ventures

(Amount in ₹)

Name of Associate Company	Sri Ramakrishna Theatre Limited
1. Latest audited Balance Sheet Date	31.03.2021
2. Shares of Associate held by the company on the year end:	
Number of shares	1,39,418
Amount of Investment in Associate	1,90,07,432/-
Extent of Holding %	30.98%
3. Description of how there is significant influence	Due to percentage of Share Capital
4. Reason why the associate is not consolidated	NA
5. Networth attributable to shareholding as per latest audited Balance Sheet	1,48,68,661/-
6. Profit/Loss for the year:	
i. Considered in Consolidation	(1,36,572/-)
ii. Not considered in Consolidation	NA

Place : Manipal  
Date : 28.08.2021

Sd/-  
**T. Harish Pai**  
Technical Director  
DIN : 00332817

Sd/-  
**T. Ashok Pai**  
Director  
DIN : 00104379



## BOOK-POST

58<sup>th</sup>  
Annual Report  
2020 – 2021

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[info@manipalgroup.info](mailto:info@manipalgroup.info)