

ANNUAL REPORT  

---

2020-2021



BCH

BCH  
ELECTRIC  
LIMITED

## **BCH ELECTRIC LIMITED**

### **BOARD OF DIRECTORS**

**O.P. BHARTIA**  
CHAIRMAN & MANAGING DIRECTOR

**AKHILESH BHARTIA**  
VICE CHAIRMAN

**SMT. R BHARTIA**  
WHOLE-TIME DIRECTOR

**KISHAN BHARTIA**  
WHOLE-TIME DIRECTOR

**INDRAJEET SINGH**  
INDEPENDENT DIRECTOR

**ABHISHEK BHARTIA**  
DIRECTOR (NON EXECUTIVE)

**PROBIR CHANDRA SEN**  
INDEPENDENT DIRECTOR

**ANAND KHANDELWAL**  
COMPANY SECRETARY AND FINANCIAL CONTROLLER

### **AUDITORS**

**WALKER CHANDIOK & CO LLP**

### **BANKERS**

**UNION BANK OF INDIA  
PUNJAB NATIONAL BANK  
YES BANK LTD.  
HDFC BANK  
ICICI BANK**

### **REGISTERED OFFICE**

**BLOCK 1E,  
216, A.J.C. BOSE ROAD  
KOLKATA-700017**

### **CORPORATE OFFICE**

**1105, NEW DELHI HOUSE  
27, BARAKHAMBA ROAD  
NEW DELHI-110 001**

### **PLANT**

- i) **20/4 MATHURA ROAD  
FARIDABAD-121 006  
HARYANA**
- ii) **PLOT NO. 64-68  
SECTOR-7  
IIE PANT NAGAR, RUDRAPUR  
DISTT. UDHAM SINGH NAGAR  
UTTARAKHAND**

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting their 56<sup>th</sup> Annual Report on the business and operations of your Company and the accounts for the Financial Year ended March 31, 2021.

**1. COMPANY SPECIFIC INFORMATION****a) Financial Summary and highlights/Performance of the Company**

The financial results of the Company for the year 2020-21 are summarized as under:-

Rs. in lakhs

Particulars	2020-21	2020-21	2019-20	2019-20
	Standalone	Consolidated	Standalone	Consolidated*
Net Sales	29446.21	29554.94	29126.22	29126.22
Profit Before Depreciation, Interest & Tax (PBDIT)	4134.00	4085.06	3580.66	3545.19
Finance Charges	114.28	114.44	115.73	115.95
Depreciation	538.90	542.25	577.07	579.11
Profit before Tax	3480.82	3428.37	2887.86	2850.13
Profit after Tax	2482.72	2438.16	2053.78	2016.06
Cash Profit after Tax	3021.61	2980.41	2630.85	2595.17
Earnings per Share (Rs.)	71.80	70.51	59.40	58.31
Dividend Recommended	Nil	Nil	Nil	NIL

**b) Reserves**

The Company has not transferred any amount to the reserves during the financial year 2020-21.

**c) Dividend**

The Board of Directors have not recommended any dividend for the year ended 31.03.2021 keeping in view the future expansion of the Company.

**d) Major Events Occurred during the year****(i) Brief Description Of The Company's Working During The Year/State Of Company's Affairs**

During the year ended March 31, 2021, your Company achieved net revenue of Rs. 294.46 crores as against Rs. 291.26 crores for the previous year ended March 31, 2020 showing an increase of 1.10% over the previous year. Your Company achieved Profit before tax (PBT) of Rs. 34.81 crores for the current year as against Rs. 28.88 crores for the previous year with an increase of 20.53% over the previous year.

The year under review has been most challenging not only for your company but for whole economy as such across the world. The COVID-19 pandemic emerged as a global threat to the whole of the human civilization and led to a big loss of human life worldwide and presented an unprecedented challenge to public health, food systems and the world of work. The pandemic had badly affected the world economy and number of small and medium enterprises were forced to shut their shutters due to sequential lock downs and consequent shortage of working capital and cash crunch.

Your Company also witnessed a big jolt in its overall business and operations due to the outbreak of the pandemic even before the start of the first quarter of the financial year and consequential lockdowns imposed by the Governments in different phases for containment of the deadly disease. The operations were completely at halt for more than 2 months during the year under review and thereafter resumed in different stages with limited capacity. Ensuring health and safety of its employees was the biggest concern

of the management. However, your company with the support of its dedicated and committed workforce started to live with this new abnormal and swiftly transitioned to the new way of working from home with IT enabled tools to ensure lesser impact on the operations due to lack of mobility during the pandemic times. The biggest focus of the management was to ensure smooth flow of working capital to avoid any disruption on account of liquidity crunch. With the support of all stakeholders, your company faced this unprecedented event with all vigor and came out of this tough time with respectable topline and excellent bottom-line.

(ii) **Change In The Nature of Business, If any**

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

(iii) **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no such material changes which have occurred between end of the reporting financial year and the date of this report which affect the financial position of the Company.

e) **Details of revision of financial statements or the Report**

The Company has not revised its financial statement or the Report in respect of any three preceding financial years either voluntarily or pursuant to the order of a judicial authority.

2. **CAPITAL AND DEBT STRUCTURE**

**Any changes in the capital structure of the company during the year.**

The Board of Directors disclosed that Company has not issued Shares having differential voting rights, sweat equity and under Employee Stock Option and also not issued Debentures, Bonds or any Non convertible securities during the Financial Year 2020-21.

3. **CREDIT RATING OF SECURITIES**

The company has not availed credit rating of any of its securities from any of the agency.

4. **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Company is not required to transfer any amount and any shares to the Investor Education and Protection Fund (IEPF) during the financial year.

5. **MANAGEMENT**

(a) **Changes in Directors**

During the year, Mr. Shyam Sunder Goenka (DIN No. 01209462) passed away on 10.12.2020 and ceased to be Director of the Company. The Board hereby acknowledge and appreciate the invaluable services rendered by Mr. Shyam Sunder Goenka during his tenure as Director of the Company and express their gratitude for the contribution made by him in the overall development of the Company.

(b) **Retirement by Rotation and Subsequent re-appointment**

Mrs. Rajyashree Bhartia (DIN 01057665), Whole Time Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 and, being eligible, offers herself for re-appointment. The proposal regarding re-appointment of aforesaid Director is being placed for approval of the shareholders at the ensuing AGM.

(c) **Declaration of Independence from Independent Director**

The Company has received necessary declaration from all the Independent Directors as required under Section 149 (6) of the Companies Act, 2013, confirming that they meet the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013.

d) **Key Managerial Personnel**

In accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the following are the key managerial personnel of the Company as on March 31, 2021:

1. Mr. Om Prakash Bhartia, Chairman & Managing Director
2. Mrs. Rajyashree Bhartia, Whole Time Director
3. Mr. Akhilesh Bhartia, Whole Time Director
4. Mr. Kishan Kumar Bhartia, Whole Time Director

(e) **Number of Meetings of the Board of Directors/Committee/Independent Director Meeting**

During the year five Board of Directors Meetings, two Audit Committee Meetings, one CSR Committee Meeting, one Nomination & Remuneration Committee Meeting and one Independent Directors Meeting were convened and held as detailed below:-

Date of Board Meeting	Date of Audit Committee Meetings	Date of CSR Committee Meeting	Date of Nomination & Remuneration Committee Meeting	Date of Independent Directors' Meeting
29.06.2020 26.08.2020 05.12.2020 23.02.2021(9.00 AM) 23.02.2021 (10.00 AM)	29.06.2020 05.12.2020	29.06.2020	23.02.2021	23.02.2021

(f) **Committees**

The Company has constituted the Audit Committee, Nomination & Remuneration Committee and CSR Committee under the provisions of Section 177, 178 & 135 of the Companies Act, 2013 and Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014.

**Composition of Audit Committee- Under Section-177**

- |                     |   |          |
|---------------------|---|----------|
| Mr. Inderjeet Singh | - | Chairman |
| Mr. O.P. Bhartia    | - | Member   |
| Mr. Probir Sen      | - | Member   |

**Composition of Nomination & Remuneration Committee Under Section-178(3)&(4)**

- |                      |   |          |
|----------------------|---|----------|
| Mr. Inderjeet Singh  | - | Chairman |
| Mr. Abhishek Bhartia | - | Member   |
| Mr. Probir Sen       | - | Member   |

**Composition of CSR Committee- Under Section-135**

- |                         |   |          |
|-------------------------|---|----------|
| Mr. O.P. Bhartia        | - | Chairman |
| Mrs. Rajyashree Bhartia | - | Member   |
| Mr. Inderjeet Singh     | - | Member   |

(g) **Company's Policy on Director's Appointment and Remuneration**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also contains criteria for selection and appointment of Board Members. Detailed policy is available on the Company's website [www.bchindia.com](http://www.bchindia.com).

(h) **Board Evaluation**

The Provision of Section 134(3) (p) of the Companies Act 2013 relating to board evaluation not applicable on the Company.



**(i) Directors' Responsibility Statement**

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

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

**(j) Internal Financial Control**

The Company continues to engage Suresh Surana & Associates LLP, Chartered Accountants, as its Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**(k) Fraud Reported by the Auditor**

The Auditor of Company has not reported any fraud occurred in the Company.

**6. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

**(a) Details of Subsidiary/Joint Ventures/ Associate Companies**

As on March 31, 2021 the Company has subsidiary Company i.e. Jasper Engineers Private Limited though the Company does not have any holding or joint venture or associate company as defined under Companies Act, 2013.

**(b) Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement**

Performance and the financial position of the Subsidiary Company is enclosed as Annexure-I AOC-1.

**7. DEPOSITS**

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit Rules) 2014 during the financial year.

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Pursuant to the order of the Hon'ble National Company Law Tribunal passed on 17<sup>th</sup> September, 2019, the Company (Successful Resolution Applicant) has made the investments in the shares of the Jasper Engineers Private Limited and simultaneously given loans to its wholly owned subsidiary Company.

Company has also made the investments in the mutual funds during the year.

No guarantees are provided during the year in accordance with Section 186 of the Companies Act, 2013.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 as **ANNEXURE II**.

**10. APPLICABILITY OF CORPORATE SOCIAL RESPONSIBILITY**

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on Company Website i.e. [www.bchindia.com](http://www.bchindia.com).

**11. THE DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO ARE AS FOLLOWS:**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 2014, relating to the foregoing matters, is given in **Annexure IV** forming part of this report.

**12. RISK MANAGEMENT**

The Company has an internal Risk Management Policy in line with the requirement of the Companies Act, 2013. The Risk Management Policy comprises the methods and process for analysing and monitoring the risks associated with the different business activities of the Company and ensuring adherence to the risk and investment limits set by the Board of Directors.

On the basis of the robust risk management framework and regular monitoring of all major risk areas within the Company, the Board is satisfied that there are no factors that could adversely affect the existence of the Company

**13. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEE**

The Company has formulated a Whistle Blower Policy for reporting of instance of wrongful conduct including instance of unethical behavior, fraud or violation of company's Code of Conduct.

The Whistle Blower Policy is available on the website of the Company [www.bchindia.com](http://www.bchindia.com).

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

There are no material orders passed by the regulator or courts or tribunals which may impact the going concern status and future operations of the Company.

**15. STATUARY AUDITORS**

In terms of the Section 139 of the Companies Act 2013, M/s. Walker, Chandiook & Co., Chartered Accountants (Firm Registration Number - 001076N), were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 22<sup>nd</sup> September, 2017.

The Company has obtained letter from the statutory auditor stating that they are eligible for continuation of their appointment

**16. SECRETARIAL AUDIT**

In terms of Section 204 of the Act and Rules made there under, M/s. Saurabh Agrawal & Co., Practicing Company Secretaries has been re-appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors for the period 2020-21 is enclosed as **ANNEXURE V** to this report. The report is self-explanatory and do not call for any further comments.

**17. EXPLANATION'S AND COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION AND ADVERSE REMARK OR DISCLAIMER**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not require for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**18. COMPLIANCE WITH SECRETARIAL STANDARDS**

Company has complied the provisions contained in the Secretarial Standard 1, 2 and 4 and voluntary adopted the same.



**19. EXTRACT OF THE ANNUAL RETURN**

In accordance with the provisions of Section 92(3) and 134 (3) (a) of the Companies Act, 2013 Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is available on the Company's Website www.bchindia.com.

**20. COST AUDITORS**

As per the Cost Audit Orders, Cost Audit is applicable to the Company's Electrical and Electronic products/ business of the Company for the Financial Year 2021-22.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, Pitampura, Delhi- 110 034 have been re-appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2021-22. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

The Company is required to submit Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

**21. PARTICULARS OF EMPLOYEES**

Pursuant to Section 197 (12) of Companies Act, 2013 read with Rules 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, statement of particulars of employees is annexed as **ANNEXURE VI**.

**22. HUMAN RESOURCES**

Your Company treats its Human Resources as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

**23. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.**

Our Company is committed to promoting a work environment that ensures all employees are treated with dignity and there is no discrimination between individuals on the basis of their race, colour, gender, religion etc.

In terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for protection against sexual harassment, your Company has formed a Compliant Committee to which employees can submit their complaints.

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**24. DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY**

During the year under review, there was no application made and/or no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

**25. ACKNOWLEDGEMENT**

The Directors wish to express their appreciation to all the employees of the Company for their contribution to the operations of the Company during the year.

The Directors also wish to place on record their gratitude to the Company's bankers, dealers and vendors for their continued cooperation and assistance to the Company's growth initiative.

By Order of the Board of Directors  
For BCH Electric Limited

*O.P. Bhartia*  
**O.P. BHARTIA**

Chairman & Managing Director

Place : New Delhi  
Date : 6<sup>th</sup> September, 2021



**Form AOC-1****(Financial year ended on 31.03.2021)**

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
	Name of the subsidiary	Jasper Engineers Private Limited
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2020 to 31-03-2021
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
	Share capital	21,226,100
	Reserves & surplus	(32,785,996)
	Total assets	64,209,426
	Total Liabilities	75,769,321
	Investments	0
	Turnover	10,994,724
	Profit before taxation	(5,245,000)
	Provision for taxation	(789,732)
	Profit after taxation	(4,455,268)
	Proposed Dividend	0
	% of shareholding	100 %

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence at the end of the statement-NIL
- Names of subsidiaries which have been liquidated or sold during the year-NIL

By Order of the Board of Directors  
For BCH Electric Limited



Place : New Delhi  
Date : 6<sup>th</sup> September, 2021

O.P. BHARTIA  
Chairman & Managing Director

**Part "B": Associates and Joint Ventures**  
**(Financial year ended on 31.03.2021)**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	NOT APPLICABLE
Latest audited Balance Sheet Date	
Shares of Associate/Joint Ventures held by the company on the year end	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Net worth attributable to shareholding as per latest audited Balance Sheet	
Profit/Loss for the year	
Considered in Consolidation	
Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations-NIL
- Names of associates or joint ventures which have been liquidated or sold during the year-NIL

By Order of the Board of Directors  
For BCH Electric Limited

*O.P. Bhartia*

O.P. BHARTIA  
Chairman & Managing Director

Place : New Delhi

Date : 6<sup>th</sup> September, 2021

Annexure - IIFORM 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 at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Bhartia Vidyut India Pvt. Ltd. -Group Company
b)	Nature of contracts/arrangements/transaction	Lease Agreement
c)	Duration of the contracts/arrangements/transaction	01.04.2020 to 31.03.2021
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rent @ Rs. 1,00,000/- per month in respect of Flat No. 1102, New Delhi House, New Delhi taken on lease for running business.
e)	Justification for entering into such contracts or arrangements or transactions'	Taken on rent because the rent offered is very reasonable and lower than market rate.
f)	Date of approval by the Board	16.12.2019
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	O.P. Bhartia (HUF). Mr. O.P. Bhartia is Karta in O.P. Bhartia (HUF) and Managing Director in BCH Electric Ltd.
b)	Nature of contracts/arrangements/transaction	Lease Agreements
c)	Duration of the contracts/arrangements/transaction	01.04.2020 to 31.03.2021
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Rent Rs.20,000/- per month in respect of 17, Rajokri Farms, New Delhi taken on rent for official purpose. 2. Rent Rs.1,00,000/- per month in respect of 1105, New Delhi House, New Delhi taken on rent for official purpose.
e)	Justification for entering into such contracts or arrangements or transactions'	Taken on rent because the rents offered are very reasonable and less than the prevailing rate.
f)	Date of approval by the Board	16.12.2019
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

By Order of the Board of Directors  
For **BCH Electric Limited**



**O.P. BHARTIA**  
Chairman & Managing Director

Place : New Delhi  
Date : 6<sup>th</sup> September, 2021

**BCH ELECTRIC LIMITED**  
(CIN U31103WB1965PLC026427)  
**REGISTERED OFFICE: BLOCK 1E, 216, A.J.C. BOSE ROAD, KOLKATA – 700 017**  
**Telephone: +91 33 22800880, Website: www.bchindia.com, Email: info@bchindia.com**

**ANNUAL REPORT ON CSR ACTIVITIES**

**A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The guiding principle of BCH' CSR programs is "Impact through Empowerment". Empowerment results in enabling people to lead a better life. The Company's focus areas are Education and Skill Development, Health and Wellness and Environmental Sustainability.

The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or through using core competency which develops solutions.

The communities that the Company chooses are economically backward, and consist of marginalized groups (like women, children and aged) and differently abled. In addition, the Affirmative Action programs of the Company in India are directed towards SC/ST communities as defined by the Government of India.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programmes undertaken by the Company are available on the Company Website [www.bchindia.com](http://www.bchindia.com).

1. **The composition of the CSR committee:** The Board of Directors of the Company have constituted a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of three Directors, namely (1) Mr. O.P. Bhartia, (2) Mrs. Rajyashree Bhartia and (3) Mr. Indrajeet Singh, of which Mr. Indrajeet Singh is an Independent Director.
2. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** Rs. 26,94,69,005.
3. **Prescribed CSR Expenditure (two per cent of the amount as in item 2 above):** Rs. 53,89,380/-.
4. **Details of CSR spent during the financial year:**
  - a. **Total amount spent for the financial year:** Rs. 53,89,380/-.
  - b. **Amount unspent:** Nil
  - c. **Manner in which the amount spent during the financial year:** Paid to Prime Minister's Cares Fund
5. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Not Applicable
6. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

By Order of the Board of Directors  
For BCH Electric Limited



**O.P. BHARTIA**

Chairman & Managing Director

Place : New Delhi  
Date : 6<sup>th</sup> September, 2021

**A. CONSERVATION OF ENERGY****(a) Energy conservation measures taken:**

- BILR Plant – Saved 2.43 Lakhs/Annum by controlling of compressor operation timing and its leakage control.
- BILR Plant- Energy saved by Automation in STP motor by providing float switch. Saving in INR 0.15 Lakhs/Annum.
- BILF Plant- Saved INR 6.23 Lakhs for FY 2020-21 (Apr 2020 to March 2021) by reducing electricity contract demand from 1800 KVA to 1500 KVA. It will amount to savings of approximately INR 0.52 Lakhs per month. Investment made for electricity contract demand reduction from 1800 KVA to 1500 KVA was INR 2.06 Lakhs.
- BILF Plant-Saved INR 0.96 Lakhs/Annum by reducing the motor's size at CM (Compression moulding) from 7.5 KW to 5 KW.
- BILF Plant-Saved 0.21 Lakhs/Annum by installing motion sensor at toilet's Exhaust. Exhaust will be off when no motion detected for 10 Minutes. Investment made for motion sensor is INR-5600/-
- BILF Plant-Saved 0.98 Lakhs/Annum by installing upgraded loading/unloading valve at 55KW compressor. Investment made for valve is INR-16500/-

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

- BILR Plant -117730 kWh energy will be saved by replacement of conventional lights with LED lights. Saving in INR 9.41 Lakhs /Annum. Investment in LED LIGHTS 19.47 Lakhs
- BILF Plant -100 kW solar power system with INR 35 lakhs investment. Expected savings of INR 11 Lakhs/Annum.
- BILF Plant-18876 Kwh/Annum by implementing upgraded loading/unloading valve at compressor.

**(c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.**

- BILR Plant- Above energy saving measures (a) implemented with savings impact of in INR 0.92 lakhs/Annum.
- BILF Plant- Above energy saving measures (a) implemented with savings impact of in INR 8.38 lakhs/Annum.
- BILR Plant-Further energy saving measures (b) for INR 9.41 Lakhs/Annum saving target with investment requirement of INR 19.47 lakhs under study & evaluation.
- BILF Plant-Further energy saving measures (b) for INR 12.50 Lakhs/Annum saving target with investment requirement of INR 35.30 lakhs under study & evaluation.

**B. TECHNOLOGY ABSORPTION****Research & development (R&D)****1. Specific areas in which R&D carried out by BCH : (2020-21)**

## Developed &amp; Launched

- New P-Series 3 Phase SPS starter range launched with Citation OLR up to 40A.
- 135 HP Star Delta Starter with Electronic Overcurrent Relay.
- New Contactor CPN & CPDN 25A introduced.
- Citation OLR New Variant from 26A to 40A introduced.
- 100A to 630A MCCB Switch-Disconnecter AC22-A duty introduced.
- SPS Starters for UPID, OLIC & Assam Irrigation

**2. Benefits derived as a result of above R&D**

- Product gaps were addressed with new product launches.
- Team Competency development.
- Enhanced product range for Agricultural, Industrial & commercial segment.

**BCH ELECTRIC LIMITED**

**3. Future plan of action (2021-22)**

**Products under Development R&D Programs**

- F2 LSIG Microcontroller based MCCB 40A-250A.
- 100A to 630A Switch-Disconnecter AC23-A duty.
- Single phase SPS range with Dry run Controller.
- Microcontroller based SPP range development for SPS starters.
- 26kVAR capacity duty contactor development.
- 17.5mm Electronic Timers.
- Microcontroller Based Star Delta Timer.
- Development program of Indigenous Manufacturers for Imported Raw materials.
- New 2 Pole Variant (CPGN : 16A, 20A, 25A,32A & 40A)
- 45 HP DOL Starter.
- New Ratings in Citation OLR : 14.5-22A and 24-36A
- NABL Accreditation of R&D Lab.

**4. Expenditure on R&D (2020-21)**

Total R&D Expenditure incurred Rs. 21,88,779.00

**5. Foreign Exchange Earning and Outgo (2020-21)**

During the year, the total foreign exchange used was Rs. 607.23 lakh and the total foreign exchange earned was Rs. 462.83 Lakh.

**Technology absorption, adaptation and innovation**

**1. Efforts in brief, made towards technology absorption, adaptation, innovation & product sourcing.**

Emphasis has been on selecting, absorbing and adapting newer/latest technologies for development and manufacturing of new products by keeping technologically updated through:

- Own research efforts.
- Specific customer requirements.
- Introduction of new product range by sourcing from OEM's.
- Continuous exposure to latest technological developments in the relevant fields through national and international conferences, expositions, information through electronic, print media.

**2. Benefits derived as a result of above efforts.**

- New Product Revenue contribution for 2020-21 is INR 3.21 Crores.
- Product cost savings realization is INR 1.64 crores with Investment of 22.35 Lakh in 2020-21 as a result of Product Optimization Programme POP 2.0

**3. Imported Technology**

- (a) Technology Imported: NIL
- (b) Year of Import: NIL

By Order of the Board of Directors  
For **BCH Electric Limited**



Place : New Delhi  
Date : 6<sup>th</sup> September, 2021

**O.P. BHARTIA**  
Chairman & Managing Director

Form MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2021

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

To,  
The Members,  
**BCH Electric Limited**  
(CIN: 31103WB1965PLC026427)  
Block 1E216 A J C Bose Road  
Kolkata, West Bengal - 700017

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BCH Electric Limited** (hereinafter called **the Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 generally complied with statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

*We hereby declare that due to COVID 19 pandemic and restrictions prevailed, we have not visited the office and plants of the Company. Entire Report is based on the information/data received on email and otherwise.*

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye laws framed there under; **(Not applicable to the Company)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of the Foreign Direct Investment,
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;**(Not applicable to the Company)**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;**(Not applicable to the Company)**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**(Not applicable to the Company)**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**(Not applicable to the Company)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not applicable to the Company)**



BCH ELECTRIC LIMITED

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company)**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company)** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company)**
- (vi) The company has complied with other Laws as applicable to the Industry as per the undertaking given by the company:
1. Factories Act, 1948
  2. Industrial Disputes Act, 1947
  3. The Payment of Wages Act, 1936
  4. The Minimum Wages Act, 1948
  5. Employees' State Insurance Act, 1948
  6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  7. The Payment of Gratuity Act, 1972
  8. The Contract Labor (Regulation & Abolition) Act, 1970
  9. The Maternity Benefit Act, 1961
  10. The Child Labour (Prohibition & Regulation) Act, 1986
  11. The Industrial Employment (Standing Order) Act, 1946
  12. The Employees' Compensation Act, 1923
  13. Equal Remuneration Act, 1976
  14. Water (Prevention and Control of Pollution) Act, 1974
  15. Water (Prevention and Control of Pollution) Cess Act, 1977
  16. The Air (Prevention and Control of Pollution) Act, 1981
  17. Environment (Protection) Act, 1986
  18. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  19. Bureau of Indian Standards Act, 1986
  20. Boilers Act, 1923
  21. Electricity Act, 2003
  22. Employment of Children Act, 1938
  23. Personal Injuries (Emergency Provisions) Act, 1962
  24. Standard of Weights & Measures Act, 1976
  25. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2003
  26. Goods and Service Tax Act
  27. The Customs Act, 1962
  28. The Industries (Development & Regulations) Act, 1951
  29. The Legal Metrology Act, 2009
  30. Workmen's Compensation Act, 1923
  31. Indian Contract Act, 1872



## BCH ELECTRIC LIMITED

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- ~~(ii) The listing Agreements entered into by the Company with Stock Exchange(s), if applicable;~~

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

In respect of other laws specifically applicable to the company, we have relied on information/data provided by the Company during the course of audit and reporting is limited to that extent.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.

*During the year under review, Sh. Shyam Sunder Goenka was passed away on 10th December, 2020, consequently he ceases to be the Director of the Company with immediate effect.*

*The effect of the cessation of the above Independent Directors that took place during the financial year was in compliance with the provisions of the Act.*

*Thereafter Board of Directors in their meeting reconstituted the composition of the Audit Committee and Nomination and Remuneration Committee.*

*Further the Board of Directors approved the revision in the terms of the remuneration of Mr. Kishan Kumar Bhartia, Whole Time Director, subject to the approval of the shareholders.*

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views were not required to be captured and as recorded as part of the minutes, as there were no such instance.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

Place: New Delhi  
Date: 02/09/2021



**Saurabh Agrawal**  
(Saurabh Agrawal & Co.  
Company Secretaries)  
FCS No.: 5430  
C.P. No.: 4868  
UDIN: F005430C000882977

This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

‘ANNEXURE A’

To,  
The Members,  
**BCH Electric Limited**  
(CIN: 31103WB1965PLC026427)  
Block 1E216 A J C Bose Road  
Kolkata, West Bengal - 700017

Our Secretarial Audit Report for the financial year 31st March, 2021 is to be read along with this letter.

***Management Responsibility***

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively;

***Auditor's Responsibility***

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances;
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion;
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
5. Wherever required we have obtained the management's representation about the Compliance of laws, rules and regulations and happening of events etc;

***Disclaimer***

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company;
7. We have not verified the correctness and appropriations of financial records and books of accounts of the Company.

Place: New Delhi  
Date: 02/09/2021



**Saurabh Agrawal**  
(Saurabh Agrawal & Co.  
Company Secretaries)  
FCS No.: 5430  
C.P. No.: 4868  
UDIN: F005430C000882977

**Annexure VI to the Directors' Report**

Statement under Section 134 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 in respect of employees of the Company and forming part of the Directors' Report for the year ended 31st March, 2021.

Name	Designation/ Duties	Age	Qualification	Experience (Years)	Gross Remuneration received (Rs)	Date of commencement of employment	Previous Employment
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A. Employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 102 Lakh for 12 months

NIL

B. Employees who were employed for a part of the year and were in receipt of remuneration in aggregate of not less than Rs. 8.50 Lakh per month

Name	Designation/ Duties	Age	Qualification	Experience (Years)	Gross Remuneration received (Rs)	Date of commencement of employment	Previous Employment
------	---------------------	-----	---------------	--------------------	----------------------------------	------------------------------------	---------------------

NIL

- NOTES: 1. Remuneration includes salary, house rent allowance / expenditure incurred by the company on accommodation, perquisites, ex-gratia, & medical expense reimbursement.
2. None of the employees by himself or alongwith his spouse and dependent children holds 2% or more of the equity capital of the Company.
3. Information regarding qualifications & last employment is based on the particulars furnished by the concerned employees.

Place : New Delhi  
Date : September 6, 2021

By Order of the Board of Directors  
BCH Electric Limited  
*O.P. Bhartia*  
O.P. BHARTIA  
CHAIRMAN AND MANAGING DIRECTOR

**Independent Auditor's Report**

**To the Members of BCH Electric Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

1. We have audited the accompanying standalone financial statements of BCH Electric Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2021, its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the standalone financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the Standalone Financial Statements and Auditor's Report thereon**

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of 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 prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

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

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

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



in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

**Report on Other Legal and Regulatory Requirements**

11. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - 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 financial statements 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 prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 6 September 2021 as per Annexure II expressed unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in note 22 and note 48 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 21507000AAAAEA6242

**Place:** Ghaziabad  
**Date:** 6 September 2021





**Annexure I to the Independent Auditor's Report of even date to the members of BCH Electric Limited on the standalone financial statements for the year ended 31 March 2021**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment, capital work-in-progress and intangible assets.
- (b) The property, plant and equipment have been physically verified by the management during the year by engaging the outside expert and no material discrepancies were noticed on such verification. The Company has a regular program of verification once in two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets comprising of property, plant and equipment and capital work-in-progress') are held in the name of the Company except for one freehold property (classified as capital work-in-progress) having gross value of Rs. 1,935,818 and net value of Nil as on 31 March 2021, which according to the information and explanation given to us, is pending transfer in name of the Company in view of dispute litigated at High Court, New Delhi, as stated in note 48 to the standalone financial statements.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 of the Act in respect of loans, guarantees and security and Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, except advance income-tax where significant delays in deposit have occurred during the year. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

**Annexure I to the Independent Auditor's Report of even date to the members of BCH Electric Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)**

(b) The dues outstanding in respect of income-tax, sales tax, service-tax, goods and services tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of disputed dues**

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Customs and Central Excise Act, 1944	Central excise	242,778	Nil	Financial Year ('FY') 1998-99	Deputy Commissioner
Customs and Central Excise Act, 1944	Central excise	950,937	Nil	FY 1999-00	Customs Excise and Service Tax Appellate Tribunal
Customs and Central Excise Act, 1944	Central excise	20,748,068	Nil	FY 2005-06	Commissioner of Central Excise
Customs and Central Excise Act, 1944	Central excise	3,597,717	Nil	FY 2014-15	Additional Commissioner of Central Excise
Customs and Central Excise Act, 1944	Central excise	3,225,919	Nil	FY 2015-16	Assistant Commissioner of Central Excise
Income-tax Act, 1961	Income-tax	11,494,850	Nil	Assessment Year ('AY') 2005-06	Income Tax Appellate Tribunal
Income-tax Act, 1961	Fringe benefit tax	1,620,690	500,000	AY 2006-07	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	13,192,930	5,000,000	AY 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	1,652,160	Nil	AY 2013-14	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	5,767,690	Nil	AY 2014-15	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	83,149,130	Nil	AY 2017-18	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	68,562	Nil	AY 2018-19	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	1,864,050	Nil	AY 2019-20	Commissioner of Income Tax (Appeals)

**Annexure I to the Independent Auditor's Report of even date to the members of BCH Electric Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)**

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax Act, 2003	Sales tax demand	4,259,804	4,259,804	FY 2009-10 to FY 2011-12	Rajasthan Tax Board
Haryana General Sales Tax Act, 1973	Demand for non-deduction of sales tax	59,052	Nil	FY 1997-98	Haryana Tax Tribunal
Haryana General Sales Tax Act, 1973	Demand for non-production of C-forms	267,531	Nil	FY 2000-01	Haryana Tax Tribunal
Haryana General Sales Tax Act, 1973	Demand for non-production of road permits	32,000	Nil	FY 2002-03	Haryana Tax Tribunal

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures or loans or borrowing payable to government during the year.
- (ix) In our opinion, the Company has applied the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 21507000AAAAEA6242  
Place: Ghaziabad  
Date: 6<sup>th</sup> September 2021

**Annexure II to the Independent Auditor's Report of even date to the members of BCH Electric Limited on the standalone financial statements for the year ended 31 March 2021**

**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of BCH Electric Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. 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 with reference to standalone financial statements.

**Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

6. A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 or 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 Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

S/d

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN:21507000AAAAEA6242

**Date:** Ghaziabad  
**Place:** 6<sup>th</sup> September 2021



## BCH ELECTRIC LIMITED

Standalone Balance Sheet as at 31 March 2021

(All amounts in Rupees, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	3,45,77,110	3,45,77,110
Reserves and surplus	4	1,50,40,14,506	1,25,57,42,963
		<u>1,53,85,91,616</u>	<u>1,29,03,20,073</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	18,94,596	36,70,407
Other long-term liabilities	6	1,71,73,546	1,63,23,546
Long-term provisions	7	4,14,56,050	6,50,99,866
		<u>6,05,24,192</u>	<u>8,50,93,819</u>
<b>Current liabilities</b>			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	8A	1,29,41,979	1,65,00,306
- total outstanding dues of creditors other than micro enterprises and small enterprises	8B	58,02,04,985	55,29,95,145
Other current liabilities	9	10,67,78,764	10,04,59,007
Short-term provisions	10	5,56,26,568	2,96,65,431
		<u>75,55,52,296</u>	<u>69,96,19,889</u>
		<u>2,35,46,68,104</u>	<u>2,07,50,33,781</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11A	30,27,90,230	33,90,46,781
Intangible assets	11B	41,52,808	65,21,147
Capital work-in-progress	11C	1,38,19,620	81,42,706
Non-current investments	12	13,071	13,071
Deferred tax assets	13	6,01,36,062	5,68,98,531
Long-term loans and advances	14	13,10,04,792	11,83,81,885
Other non-current assets	15	1,29,14,107	1,22,31,155
		<u>52,48,30,690</u>	<u>54,12,35,276</u>
<b>Current assets</b>			
Current investments			
Inventories	16	12,99,93,500	-
Trade receivables	17	49,62,99,390	50,09,86,884
Cash and bank balances	18	74,06,61,034	77,94,60,832
Short-term loans and advances	19	40,77,44,933	11,58,22,715
Other current assets	20	4,49,55,393	4,35,25,088
	21	1,01,83,164	9,40,02,986
		<u>1,82,98,37,414</u>	<u>1,53,37,98,505</u>
		<u>2,35,46,68,104</u>	<u>2,07,50,33,781</u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these standalone financial statements.  
This is the Standalone Balance Sheet referred to in our report of even date.

For Walker Chandniok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

S/d

Manish Agrawal

Partner

Membership no.: 507000

For and on behalf of the Board of Directors of  
BCH Electric Limited

*O.P. Bhartia* *Rajyashree Bhartia*

O.P. Bhartia  
Chairman and Managing Director  
DIN No. 00740126

Rajyashree Bhartia  
Director  
DIN No. 01057665

*Anand Khandelwal*  
Anand Khandelwal  
Company Secretary and Financial Controller  
PAN No.: ANFPK3690N

Place: Ghaziabad

Date: 06 September 2021

Place: New Delhi

Date: 06 September 2021



## BCH ELECTRIC LIMITED

### Standalone Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in Rupees, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	24	2,94,46,21,248	2,91,26,22,417
Other income	25	5,06,30,655	11,49,58,700
<b>Total revenue</b>		<b>2,99,52,51,903</b>	<b>3,02,75,81,117</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	26	1,29,21,14,656	1,22,11,30,821
Purchases of traded goods	27	28,40,17,104	30,27,84,057
Changes in inventories of finished goods, work-in-progress and traded goods	28	(13,01,820)	(2,34,27,747)
Employee benefits expense	29	45,73,01,537	53,92,24,128
Finance costs	30	1,14,27,817	1,15,72,727
Depreciation and amortisation expenses	31	5,38,89,581	5,77,07,267
Other expenses	32	55,30,17,472	63,80,18,745
		<b>2,65,04,66,347</b>	<b>2,74,70,09,998</b>
Less: In-house capitalisation of tools	33	(32,96,929)	(82,14,407)
<b>Total expenses</b>		<b>2,64,71,69,418</b>	<b>2,73,87,95,591</b>
<b>Profit before tax</b>		<b>34,80,82,485</b>	<b>28,87,85,526</b>
<b>Tax expense:</b>			
Current tax (including tax earlier years)		10,30,48,473	7,30,24,449
Deferred tax		(32,37,531)	1,03,83,162
<b>Total tax expense</b>		<b>9,98,10,942</b>	<b>8,34,07,611</b>
<b>Profit for the year</b>		<b>24,82,71,543</b>	<b>20,53,77,915</b>
<b>Earnings per equity share (of Rs. 10 each)</b>			
- Basic	34	71.80	59.40
- Diluted		71.80	59.40
<b>Summary of significant accounting policies</b>			
	2		

The accompanying notes are an integral part of these standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

S/d

Manish Agrawal

Partner

Membership no.: 507000

For and on behalf of the Board of Directors of  
BCH Electric Limited

*O.P. Bhartia*

*Rajyashree Bhartia*

O.P. Bhartia

Rajyashree Bhartia

Chairman and Managing Director

Director

DIN No. 00740126

DIN No. 01057665

*Anand Khandelwal*

Company Secretary and Financial Controller

PAN No.: ANFPK3690N

Place: Ghaziabad

Date: 06 September 2021

Place: New Delhi

Date: 06 September 2021



## BCH ELECTRIC LIMITED

Standalone Cash Flow Statement for the year ended 31 March 2021  
(All amounts in Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flow from operating activities:</b>		
Profit before tax	34,80,82,485	28,87,85,526
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	5,38,89,581	5,77,07,267
Interest income on fixed deposits and other deposits	(75,01,511)	(26,56,231)
Interest income on loan to subsidiary	(28,98,423)	(9,31,385)
Interest income on others	(1,16,658)	-
Liabilities written back to the extent no longer required	(53,00,514)	(41,72,600)
Provision for obsolete capital work-in-progress	26,07,494	21,39,588
Provision for non-moving inventory	1,12,34,143	50,51,266
Profit on disposal of property, plant and equipment and assets held for sale (net)	(1,30,87,628)	(1,07,24,459)
Bad debts written off	6,11,040	4,75,369
Provision for doubtful receivables, advances and deposits	3,65,82,771	73,99,466
Finance costs	1,14,27,817	1,15,72,727
Provision for warranty	24,28,086	23,76,328
Unrealised foreign exchange loss (net)	4,34,379	2,43,330
<b>Operating profit before working capital changes</b>	<b>43,83,93,062</b>	<b>35,72,66,192</b>
<b>Changes in working capital:</b>		
Trade receivable	47,85,210	26,35,06,855
Loans and advances	8,51,01,990	(10,52,41,337)
Inventories	(65,46,649)	(6,06,82,514)
Trade and other payables	1,41,63,599	(10,36,73,216)
<b>Cash flow from operations</b>	<b>53,58,97,212</b>	<b>35,11,75,980</b>
Direct taxes paid (net)	(8,41,29,561)	(7,46,51,538)
<b>Net cash flow from operating activities</b>	<b>45,17,67,651</b>	<b>27,65,24,442</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(2,75,29,663)	(3,80,55,706)
Proceeds from disposal of property, plant and equipment and assets held for sale	1,33,60,595	1,15,51,208
Investment in subsidiary	-	(1)
Investment in mutual funds	(12,99,93,500)	-
Investment in deposits (net)	(24,89,95,408)	(5,74,76,462)
Loan to subsidiary	(35,71,511)	(6,23,02,227)
Loan to employee	(1,00,00,000)	-
Proceeds from repayment of loan to employee	58,414	-
Interest received	76,18,169	26,56,231
<b>Net cash used in investing activities</b>	<b>(39,90,52,904)</b>	<b>(14,36,26,957)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long-term borrowings	-	22,58,000
Repayment of long-term borrowings	(16,62,674)	(3,66,03,007)
Repayment of short-term borrowings (net)	-	(14,97,33,745)
Finance charges	(74,42,311)	(1,18,25,361)
<b>Net cash used in financing activities</b>	<b>(91,04,985)</b>	<b>(19,59,04,113)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,36,09,762</b>	<b>(6,30,06,628)</b>
Cash and cash equivalents at the beginning of the year	5,55,94,704	11,86,01,332
<b>Cash and cash equivalents at the end of the year (refer note 19)</b>	<b>9,92,04,466</b>	<b>5,55,94,704</b>

The Standalone Cash Flow Statement has been prepared under the 'indirect method' as set out in AS 3, 'Cash Flow Statements'.

Summary of significant accounting policies


2

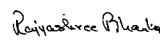
The accompanying notes are an integral part of these standalone financial statements.  
This is the Standalone Cash Flow Statement referred to in our report of even date.


For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

S/d  
Manish Agrawal  
Partner  
Membership no.: 507000

For and on behalf of the Board of Directors of  
BCH Electric Limited

  
O.P. Bhartia  
Chairman and Managing Director  
DIN No. 00740126

  
Rajashree Bhartia  
Director  
DIN No. 01057665

  
Anand Khandelwal  
Company Secretary and Financial Controller  
PAN No.: ANFPK3690N

Place: Ghaziabad  
Date: 06 September 2021

Place: New Delhi  
Date: 06 September 2021



**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021****1. Background**

BCH Electric Limited (the 'Company') is engaged in business of manufacturing and trading of electrical and electronic control devices. The Company has manufacturing plants in Faridabad (Haryana) and Rudrapur (Uttarakhand), India and sells primarily in India through independent dealers. The Company is a public limited company.

**2. Summary of significant accounting policies****a. Basis of preparation**

The standalone financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). These standalone financial statements have been prepared on a going concern basis and the accounting policies have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current, when applicable based on the operating cycle of the Company as per the guidance set out in the Schedule III to the Companies Act, 2013.

**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 and liabilities and disclosure of contingent liabilities on the date of the standalone financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revision, if any, are recognised in the current and future periods.

**c. Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land where no depreciation has been charged) and impairment, if any. Cost comprises the purchase price and any attributable cost (net of input credit available) of bringing the asset to its working condition for its intended use.

Property, plant and equipment under construction and cost of assets not ready for use before the year-end, are classified as capital work-in-progress and on completion the costs are allocated to the respective property, plant and equipment.

Cost of in-house tools capitalised includes cost of stores and spares and other cost directly attributable to the construction of those tools.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the standalone financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Depreciation on property, plant and equipment other than leasehold land and leasehold improvements is provided using written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready for use. Leasehold land is amortised over the lease period. Leasehold improvements are amortised over the lease period or useful life of assets, whichever is lower.

**d. Intangible assets and amortisation**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any

Intangible assets are recognised if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company.

Technical know how fees are amortised on a straight line basis over the best estimated useful life of the assets or 10 years, whichever is lower

Bought out software are amortised on a straight line basis over its useful life or 5 years, whichever is lower. The amortisation rates are indicative of the expected useful lives of the assets and are amortised on straight line basis.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

**e. Impairment of assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the Statement of Profit and Loss.

**f. Investments**

Investments are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Trade investments are the investments made for or to enhance the Company's business interests.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost. Provision for diminution in their value, other than temporary, if any, is recognised in the standalone financial statements.

Profit/loss on sale of investments is computed with reference to the average cost of the investment.

**g. Inventories**

**Inventories are valued as follows:**

Raw materials including components, packing materials, stores and spares and goods in transit - At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress - At lower of cost up to estimated stage of completion and net realizable value.

Finished goods and traded goods - At lower of cost and net realisable value.

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

**Cost of inventories is ascertained on the following basis:**

Raw materials, stores and spare parts and packing materials - on weighted average method.

Finished goods purchased for resale - on weighted average method.

Cost of manufactured finished goods and work-in-process comprises of material, labour and other related production overheads including depreciation.

**h. Foreign currency transactions and translation**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate.

The exchange differences arising on such conversion and on settlement of the transactions are recognised in the Statement of Profit and Loss.

**i. Revenue recognition**

**Sale of goods:**

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer and there is no uncertainty in the ultimate collections and is stated net of trade discounts, sales return and goods and services tax, wherever applicable.



- **Sale of services:**  
Revenue from the sale of services is recognised when the services are rendered and there is no uncertainty in the ultimate collections.
- **Income from export incentives**  
Income from export incentives are recognised on accrual basis.
- **Other income:**
  - i. Rental income is being accounted for on accrual basis, based upon the lease agreements with the parties except where the ultimate collection is considered doubtful.
  - ii. Interest income is recognised on a time proportion basis at the applicable rates.
  - iii. Interest income on delayed payment from customers is on accrual basis except where the ultimate collection is considered doubtful.

**j. Government grant**

- i. **Budgetary support:** Government grants are recognised when there is reasonable assurance that (i) the enterprise will comply with the conditions attached to the government grants, and (ii) the grants will be received.
- ii. Government grant in the nature of contribution towards capital cost of setting up projects are treated as capital reserves.

**k. Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset to the extent it pertains to brought forward business loss/ unabsorbed depreciation is recognised only to the extent that there is virtual certainty of realization based on convincing evidence, as evaluated on a case to case basis.

**l. Contingent liabilities and provisions**

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made.

A disclosure is made for a contingent liability when there is a:

- i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- iii) present obligation, where a reliable estimate cannot be made.

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

**m. Leases**

**Operating leases – Company as a lessee:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

**Operating leases – Company as a lessor:**

Assets given on operating leases are included in property, plant and equipment. Rental income from leases are recognised in the Statement of Profit and Loss on straight-line basis over the period of the lease. Costs

## BCH ELECTRIC LIMITED

including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

### n. Research and development expenses

Revenue expenditure is charged to the Statement of Profit and Loss under respective heads of account in the year in which it is incurred. Capital expenditure is included in property, plant and equipment and depreciated as per the depreciation policy of the Company.

### o. Employee benefits

#### - Gratuity:

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Any negative balance (an asset) is not recognised as an asset as the economic benefits in the form of refunds from the plan or reduction in future contribution to the plan is not available as the trust to which the contribution is made is irrevocable.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

#### - Compensated absences:

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

#### - Provident fund, employees' state insurance (ESI) and pension fund:

Contribution towards ESI and pension fund for certain employees are made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Provident Fund contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the trust set up by the Company is additionally provided for. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### - Other short-term benefits:

Expense in respect of other short term benefits including performance bonus is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

### p. Warranty

Provision for warranty cost is made as a percentage of sales and is based on past experience.

### q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

### r. Cash and cash equivalents

Cash and cash equivalent comprise of balance at bank, cash on hand and short-term deposits with maturity of three months or less.



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

(All amounts in Rupees, unless otherwise stated)

### 3 Share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of Rs. 10 each	46,00,000	4,60,00,000	46,00,000	4,60,00,000
Preference shares of Rs. 100 each	40,000	40,00,000	40,000	40,00,000
	<b>46,40,000</b>	<b>5,00,00,000</b>	<b>46,40,000</b>	<b>5,00,00,000</b>
<b>Issued, subscribed and fully paid up share capital</b>				
Equity shares of Rs. 10 each fully paid up	34,57,711	3,45,77,110	34,57,711	3,45,77,110
	<b>34,57,711</b>	<b>3,45,77,110</b>	<b>34,57,711</b>	<b>3,45,77,110</b>

(a) There is no change in equity share capital during the current and previous year.

(b) Details of shareholders holding more than 5% of the shares of the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Mr. O.P. Bhartia *	23,31,423	67.43%	23,31,423	67.43%
Ms. Rajyashree Bhartia	3,65,640	10.57%	3,65,640	10.57%
Mr. Akhilesh Bhartia	3,20,669	9.27%	3,20,669	9.27%

\* including shares held on behalf of O.P. Bhartia (HUF)

(c) The Company has not issued any other shares pursuant to a contract without payment being received in cash or as bonus shares or by way of buy back of shares in the five years preceding the report date.

(d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per 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 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.

### 4 Reserves and surplus

Particulars	As at	As at
	31 March 2021	31 March 2020
<b>Capital reserve</b>		
Balance as at the beginning/end of the year	60,21,961	60,21,961
<b>Securities premium reserve</b>		
Balance as at the beginning/end of the year	1,02,41,924	1,02,41,924
<b>General reserve</b>		
Balance as at the beginning/end of the year	24,88,50,998	24,88,50,998
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	99,06,28,080	78,52,50,165
Add : Profit for the year	24,82,71,543	20,53,77,915
Balance as at the end of the year	<b>1,23,88,99,623</b>	<b>99,06,28,080</b>
	<b>1,50,40,14,506</b>	<b>1,25,57,42,963</b>

### 5 Long-term borrowings

Particulars	Non-current		Current maturities	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<i>Secured</i>				
Vehicle loans				
- from banks	14,72,062	21,39,996	6,67,934	6,40,344
- from financial institutions	4,22,534	15,30,411	11,07,877	10,22,330
	<b>18,94,596</b>	<b>36,70,407</b>	<b>17,75,811</b>	<b>16,62,674</b>
Less: amount disclosed under the head "other current liabilities" (refer note 9)	-	-	17,75,811	16,62,674
	<b>18,94,596</b>	<b>36,70,407</b>	-	-

Repayment terms and security for the outstanding long-term borrowings (including current maturities):



## BCH ELECTRIC LIMITED

### BCH Electric Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

#### Secured

##### Vehicle loans

a) The Company has availed vehicle loan facility from ICICI Bank Limited amounting to Rs. 1,213,000 at a rate of interest of 8.59% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in February 2022. Outstanding balance of the vehicle loan is Rs. 257,650 (previous year Rs. 522,340).

b) The Company has availed vehicle loan facility from Toyota Financial Services India Limited amounting to Rs. 1,700,000 at a rate of interest of 7.85% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in December 2022. Outstanding balance of the vehicle loan is Rs. 667,208 (previous year Rs. 1,012,240).

c) The Company has availed vehicle loan facility from Kotak Mahindra Prime Limited amounting to Rs. 3,198,500 at a rate of interest of 8.18% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in May 2022. Outstanding balance of the vehicle loan is Rs. 863,203 (previous year Rs. 1,540,501).

d) The Company has availed vehicle loan facility from HDFC Bank Limited amounting to Rs. 2,258,000 at a rate of interest of 8.85% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in March 2025. Outstanding balance of the vehicle loan is Rs. 1,882,346 (previous year Rs. 2,258,000).

The aforesaid vehicle loans are secured by way of hypothecation of the vehicle thus purchased.

#### 6 Other long-term liabilities

Security deposits for contract performance

As at 31 March 2021	As at 31 March 2020
1,71,73,546	1,63,23,546
<b>1,71,73,546</b>	<b>1,63,23,546</b>

#### 7 Long-term provisions

Provision for employee benefits (refer note 35)

4,14,56,050	6,50,99,866
<b>4,14,56,050</b>	<b>6,50,99,866</b>
31 March 2021	31 March 2020

#### 8 Trade payables

(A) Total outstanding dues of micro enterprises and small enterprises; and

1,29,41,979

1,65,00,306

(B) Total outstanding dues of creditors other than micro enterprises and small enterprises

58,02,04,985

55,29,95,145

**59,31,46,964**

**56,94,95,451**

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2021	As at 31 March 2020
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
- Principal	1,29,41,979	1,65,00,306
- Interest	93,162	12,222
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	3,25,153	98,583
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	93,162	12,222
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

#### 9 Other current liabilities

Current maturities of long-term borrowings (refer note 5)

17,75,811

16,62,674

Interest accrued but not due on borrowings

21,874

15,652

Advances from customers

85,59,654

1,50,18,042

Advance against sale of land

-

1,03,83,450

Employee related payables

1,28,99,770

2,13,21,976

Statutory dues

3,99,17,450

1,85,37,311

Incentives payable

3,19,50,032

2,56,79,525

Others

1,16,54,173

78,40,377

**10,67,78,764**

**10,04,59,007**

#### 10 Short-term provisions

Provision for employee benefits (refer note 35)

2,00,13,284

1,48,82,822

Provision for taxation (net of advance tax)

3,00,29,368

87,35,687

Provision for warranty (refer note 40)

55,83,916

60,46,922

**5,56,26,568**

**2,96,65,431**

11A. Property, plant and equipment  
 Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021  
 (All amounts in Rupees, unless otherwise stated)

Particulars	Leasehold land	Freehold land	Leasehold improvements	Building	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Gross block</b>										
Balance as at 1 April 2019	4,83,13,208	21,22,136	3,47,20,223	29,17,15,815	1,05,86,45,252	8,17,28,103	3,92,11,447	5,30,10,778	2,33,48,074	1,63,28,15,036
Additions	-	-	-	-	1,28,60,182	1,29,28,706	4,62,330	23,43,492	54,90,816	3,40,85,526
Disposals/adjustments	-	-	-	(8,71,520)	(35,86,047)	(2,92,490)	(34,501)	(1,83,635)	(33,09,401)	(82,77,594)
Balance as at 31 March 2020	4,83,13,208	21,22,136	3,47,20,223	29,08,44,295	1,06,79,19,387	9,43,64,319	3,96,39,276	5,51,70,635	2,55,29,489	1,65,86,22,968
Additions	-	-	-	-	90,67,978	26,97,100	2,64,537	17,30,765	16,97,278	1,54,57,658
Disposals/adjustments	-	-	-	-	-	(31,000)	-	(1,16,848)	(52,60,910)	(54,08,758)
Balance as at 31 March 2021	4,83,13,208	21,22,136	3,47,20,223	29,08,44,295	1,07,69,87,365	9,70,30,419	3,99,03,813	5,67,84,552	2,19,65,857	1,66,86,71,868
<b>Accumulated depreciation</b>										
Balance as at 1 April 2019	74,43,676	-	3,32,53,696	18,41,12,815	87,25,35,953	7,87,27,596	3,31,50,282	4,41,74,976	1,84,57,245	1,27,18,56,239
Charge for the year	10,27,624	-	1,99,900	1,00,65,548	3,45,36,125	22,59,801	15,39,949	35,63,811	19,78,035	5,51,70,793
Adjustment on disposal/adjustments of assets	-	-	-	(6,07,338)	(32,14,751)	(2,82,815)	(34,485)	(1,66,475)	(31,44,981)	(74,50,845)
Balance as at 31 March 2020	84,71,300	-	3,34,53,596	19,35,71,025	90,38,57,327	8,07,04,582	3,46,55,746	4,75,72,312	1,72,90,299	1,31,95,76,187
Charge for the year	7,07,348	-	91,834	90,76,477	2,90,49,820	61,03,001	10,96,488	26,53,427	26,62,847	5,14,41,242
Adjustment on disposal/adjustments of assets	-	-	-	-	-	(29,450)	-	(1,08,476)	(49,97,865)	(51,35,791)
Balance as at 31 March 2021	91,78,648	-	3,35,45,430	20,26,47,502	93,29,07,147	8,67,78,133	3,57,52,234	5,01,17,263	1,49,55,281	1,36,58,81,638
<b>Net block</b>										
Balance as at 31 March 2020	3,98,41,908	21,22,136	12,66,627	9,72,73,270	16,40,62,060	1,36,59,737	49,83,530	75,98,323	82,39,190	33,90,46,781
Balance as at 31 March 2021	3,91,34,560	21,22,136	11,74,793	8,81,96,793	14,40,80,218	1,02,52,286	41,51,579	66,67,289	70,10,576	30,27,90,230

Note: Refer note 5 - 'Long-term borrowings' for details regarding property, plant and equipment which are pledged as security for obtaining long-term borrowings.

Particulars	Intangible assets		Total	
	Softwares	Technical know how fees		
<b>Gross block</b>				
Balance as at 1 April 2019	4,75,25,004	1,02,88,584	5,78,13,588	
Additions	11,06,634	-	11,06,634	
Balance as at 31 March 2020	4,86,31,638	1,02,88,584	5,89,20,222	
Additions	80,000	-	80,000	
Balance as at 31 March 2021	4,87,11,638	1,02,88,584	5,90,00,222	
<b>Accumulated amortisation</b>				
Balance as at 1 April 2019	4,18,01,897	80,60,704	4,98,62,601	
Charge for the year	21,31,445	4,05,029	25,36,474	
Balance as at 31 March 2020	4,39,33,342	84,65,733	5,23,99,075	
Charge for the year	20,43,310	4,05,029	24,48,339	
Balance as at 31 March 2021	4,59,76,652	88,70,762	5,48,47,414	
<b>Net block</b>				
Balance as at 31 March 2020	46,99,296	18,22,851	65,22,147	
Balance as at 31 March 2021	27,34,986	14,17,822	41,52,808	
<b>11C Capital work-in-progress</b>				
	As at	As at	As at	
	31 March 2021	31 March 2020	31 March 2020	
Capital work-in-progress (net of provision for obsolete capital work-in-progress)	1,38,19,620	81,42,706	81,42,706	
Refer note 48				
	1,38,19,620	81,42,706	81,42,706	



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

(All amounts in Rupees, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>12 Non-current investments</b>		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments in subsidiary (unquoted)</b>		
2,121,227 equity shares (previous year - 2,121,227 equity shares) of Rs. 10 each fully paid up in Jasper Engineers Private Limited	1	1
<b>Other investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments</b>		
<i>Quoted</i>		
240 equity shares (previous year - 240 equity shares) of Rs. 10 each fully paid up in GE Power India Limited (previously known as Alstom Projects Limited)	8,470	8,470
<i>Unquoted</i>		
4,600 equity shares (previous year - 4,600 equity shares) of Rs. 1 each fully paid up in SGBC Owners Association Private Limited	4,600	4,600
	<b>13,071</b>	<b>13,071</b>
Aggregate amount of quoted investments [market value Rs. 68,880 (previous year: Rs. 114,000)]	8,470	8,470
Aggregate amount of unquoted investments	4,601	4,601
<b>13 Deferred tax assets</b>		
<b>Deferred tax asset arising on account of:</b>		
Difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	69,64,994	71,48,648
Provision for doubtful receivables, advances and deposits	2,17,72,827	1,78,79,733
Provision for non-moving inventory	1,11,76,521	96,60,130
Provision for employee benefits	1,54,70,602	1,80,46,853
Others	47,51,118	41,63,167
	<b>6,01,36,062</b>	<b>5,68,98,531</b>
<b>Note:</b>		
During the year, the Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income-tax and re-measured the deferred tax assets on the basis of reduced rate (i.e. 25.17%) resulting in reversal of deferred tax assets amounting to Rs. 7,721,944.		
<b>14 Long-term loans and advances</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
<b>Capital advances</b>		
Unsecured, considered good	42,21,222	24,87,156
Considered doubtful	45,59,504	25,85,972
	87,80,726	50,73,128
Less: Provision for doubtful capital advances	45,59,504	25,85,972
<b>Security deposits</b>	42,21,222	24,87,156
Unsecured, considered good	73,80,727	82,21,932
Considered doubtful	11,41,205	11,00,018
	85,21,932	93,21,950
Less: Provision for doubtful deposits	11,41,205	11,00,018
	73,80,727	82,21,932
Loan to subsidiary (refer note 41)	6,58,73,738	6,23,02,227
Advance income tax (including amount paid under protest and net of provision)	2,43,64,305	2,56,78,978
Duties and taxes paid under protest (other than above)	1,96,91,592	1,96,91,592
Prepaid expenses	2,63,070	-
Loan to employee	92,10,138	-
	<b>13,10,04,792</b>	<b>11,83,81,885</b>
	As at 31 March 2021	As at 31 March 2020
<b>15 Other non-current assets</b>		
Deposits with maturity more than 12 months (refer note 19)*	1,29,14,107	1,22,31,155
	<b>1,29,14,107</b>	<b>1,22,31,155</b>

\* Held as lien by bank against bank guarantees.



**BCH ELECTRIC LIMITED**

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021  
(All amounts in Rupees, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>16 Current investments</b>		
<i>(Valued at cost unless stated otherwise)</i>		
<b>Investment in mutual funds (quoted)</b>		
154,231.25 units (previous year: nil unit) in ICICI Prudential Floating Interest Growth Fund	4,99,97,500	-
2,361,187.35 units (previous year: nil unit) in ICICI Prudential Ultra Short-term Growth Fund	4,99,97,500	-
742,884.67 units (previous year: nil unit) in Nippon India Short-term Growth Fund	2,99,98,500	-
	<u>12,99,93,500</u>	<u>-</u>
Aggregate amount of quoted investments [market value Rs. 131,248,155 (previous year: nil)]	12,99,93,500	-
Aggregate provision made for diminution in value of investments	-	-
<b>17 Inventories</b>		
<i>(valued at lower of cost and net realisable value)</i>		
<b>Raw materials and components</b>	31,66,56,658	32,14,60,099
[Net of provision for non-moving inventory Rs. 20,949,332 (previous year: Rs. 16,204,492)]		
<b>Work-in progress</b>	12,14,426	36,20,033
<b>Finished goods *</b>	15,55,59,448	15,18,77,343
[Net of provision for non moving-inventory Rs. 13,592,413 (previous year - Rs. 9,062,159)]		
<b>Traded goods#</b>	1,06,48,532	1,06,23,210
[Net of provision for non-moving inventory Rs. 9,169,013 (previous year - Rs. 6,975,899)]		
<b>Stores and spares</b>	1,22,20,326	1,34,06,199
[Net of provision for non-moving inventory Rs. 696,907 (previous year - Rs. 930,972)]		
	<u>49,62,99,390</u>	<u>50,09,86,884</u>
*Includes goods-in-transit amounting to Rs. 38,947,301 (previous year - Rs. 25,360,470)		
#Includes goods-in-transit amounting to Rs. 1,326,418 (previous year - Rs. 366,309)		
<b>18 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good*	12,07,288	12,63,840
Unsecured, considered good	2,82,98,216	8,05,66,065
Unsecured, considered doubtful	7,05,79,381	4,66,75,292
	<u>10,00,84,885</u>	<u>12,85,05,197</u>
Less : Provision for bad and doubtful receivables	7,05,79,381	4,66,75,292
Others	<u>2,95,05,504</u>	<u>8,18,29,905</u>
Secured, considered good*	36,43,669	35,04,459
Unsecured, considered good	70,75,11,861	69,41,26,468
	<u>71,11,55,530</u>	<u>69,76,30,927</u>
	<u>74,06,61,034</u>	<u>77,94,60,832</u>
* Secured to the extent of security deposits received (refer note 6)		
<b>19 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	9,88,27,973	5,52,36,510
Cash on hand	3,76,493	3,58,194
	<u>9,92,04,466</u>	<u>5,55,94,704</u>
<b>Other bank balances</b>		
Deposits with original maturity of less than 3 months*	1,01,07,062	1,00,00,000
Deposits with maturity of more than 3 months but less than 12 months*	29,84,33,405	5,02,28,011
Margin money deposits*	1,29,14,107	1,22,31,155
	<u>32,14,54,574</u>	<u>7,24,59,166</u>
Less : Amounts disclosed as other non-current assets (refer note 15)	1,29,14,107	1,22,31,155
	<u>40,77,44,933</u>	<u>11,58,22,715</u>
* Held as lien by bank against bank guarantees.		

**BCH****BCH ELECTRIC LIMITED**

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

*(All amounts in Rupees, unless otherwise stated)*

	As at 31 March 2021	As at 31 March 2020
<b>20 Short-term loans and advances</b> <i>(Unsecured, considered good, unless stated otherwise)</i>		
Security deposits		
Unsecured, considered good	1,46,16,668	1,46,82,178
Unsecured, considered doubtful	23,71,946	23,47,723
	<u>1,69,88,614</u>	<u>1,70,29,901</u>
Less: Provision for doubtful deposits	23,71,946	23,47,723
	<u>1,46,16,668</u>	<u>1,46,82,178</u>
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	1,80,03,228	1,41,36,529
Unsecured, considered doubtful	1,24,17,430	1,12,77,148
	<u>3,04,20,658</u>	<u>2,54,13,677</u>
Less: Provision for doubtful advances	1,24,17,430	1,12,77,148
	<u>1,80,03,228</u>	<u>1,41,36,529</u>
Prepaid expenses	1,04,06,746	1,35,09,078
Balance with indirect tax authorities	11,97,303	11,97,303
Loan to employee	7,31,448	-
	<u>4,49,55,393</u>	<u>4,35,25,088</u>
<b>21 Other current assets</b> <i>(Unsecured, considered good)</i>		
Assets held for sale (refer note 43)	21,17,562	24,09,017
Balances with statutory/government authorities	39,48,679	2,33,29,719
Amount receivable on settlement of litigation	-	6,69,03,364
Export incentives receivable	5,76,957	4,29,501
Interest accrued on loan to subsidiary	35,39,966	9,31,385
	<u>1,01,83,164</u>	<u>9,40,02,986</u>

(All amounts in Rupees, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>22 Contingent liabilities</b>		
(a) Claims against the Company not acknowledged as debts		
i) Excise	2,87,65,419	2,87,65,419
ii) Sales tax	46,18,387	46,18,387
iii) Octroi	20,70,142	20,70,142
iv) Labour cases (refer note i below)	21,53,62,260	19,51,65,117
v) Employee State Insurance (ESI) (refer note ii below)	10,89,448	10,89,448
vi) Others	4,89,26,198	4,84,60,471
<b>Notes:</b>		
(i) The Company has deposited a sum of Rs. 12,500,000 (previous year - Rs. 12,500,000) under protest.		
(ii) The Company has deposited a sum of Rs. 544,744 (previous year - Rs. 544,744) under protest.		
(b) Demand of composition fee by Chief Administrator, payment of which has been stayed by the Punjab and Haryana High Court. Amount is secured by bank guarantee.	48,19,540	48,19,540
(c) Pending income-tax matters (refer note i below)	11,88,10,062	3,37,96,882
<b>Notes:</b>		
(i) The Company has deposited a sum of Rs. 5,500,000 (previous year Rs. 5,500,000) under protest.		
(d) Time limit for fulfilling export obligations in respect of certain licenses issued under the Export Promotion Capital Goods Scheme has expired during the previous year [see note 23(b) below]. However, the Company has applied for extension of time limit in respect of said licenses in the previous years and management is reasonably certain of getting the extension. Accordingly, no adjustments are considered necessary at this stage.		
On the basis of the management's assessment and views of the legal attorneys, management is of the view that probability of outcome of the aforesaid litigations to be unfavourable is very low. As such the amounts have been shown as contingent liabilities.		
The Company does not expect any reimbursements in respect of the above contingent liabilities.		
(e) The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employee eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by various High Courts, the Company has not recognised any differential amount of bonus amounting to Rs. 1,773,426 for the period 1 April 2014 to 31 March 2015 and accordingly has recognised the expense as per the amended provisions only with effect from 1 April 2015 and onwards.		
(f) There had been a Supreme Court (SC) judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employee Provident Fund Act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for their implications on the standalone financial statements, if any.		
<b>23 Capital and other commitments</b>		
(a) Capital commitments (net of advances)		
Estimated value of contracts in capital account remaining to be executed (net of advances)	72,97,879	66,13,355
(b) Other commitments		
The Company has imported capital goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified exports in the future years. [refer note 22(d) above]	1,48,03,648	1,48,03,648
(c) As per the Resolution Plan approved by the National Company Law Tribunal (NCLT) vide its order dated 17 September 2019, the Company has committed to infuse additional funds as working capital for the smooth functioning of the subsidiary company.		



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021  
(All amounts in Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>24 Revenue from operations</b>		
<b>Sale of products</b>		
Manufactured goods (refer note i below)	2,59,68,36,884	2,48,61,05,178
Traded goods (refer note ii below)	31,05,23,908	33,93,90,517
	<u>2,90,73,60,792</u>	<u>2,82,54,95,695</u>
<b>Sale of services</b>	88,58,748	57,69,724
<b>Other operating revenue</b>		
Scrap sales	2,79,98,041	3,44,89,385
Budgetary support subsidy*	-	4,34,72,529
Export incentives	4,03,667	33,95,084
	<u>2,94,46,21,248</u>	<u>2,91,26,22,417</u>
*Represents the amount of budgetary support provided by the Government of India for the existing eligible manufacturing units operating under different industrial promotion tax exemption schemes, pursuant to the notification no: F. No. 10(1)/2017-DBA-II/NER issued by the Ministry of Commerce and Industry dated 05 October 2017.		
<b>(i) Details of manufactured goods sold</b>		
Starters	1,07,64,27,075	87,92,94,649
Industrial control	91,53,10,882	84,45,25,156
Switch board and solutions	32,16,72,784	44,27,17,958
Enclosures	23,74,56,476	26,87,39,518
Automation	2,38,51,507	2,25,61,595
Power factor control	2,21,18,160	2,82,66,302
	<u>2,59,68,36,884</u>	<u>2,48,61,05,178</u>
<b>(ii) Details of traded goods sold</b>		
Wires and cables	22,14,52,893	25,63,19,038
Electric motors	4,93,01,465	4,63,84,315
Industrial control	2,45,84,108	2,59,53,271
Automation	1,49,47,845	1,02,36,578
Power factor control	2,37,597	4,97,315
	<u>31,05,23,908</u>	<u>33,93,90,517</u>
<b>25 Other income</b>		
Interest income on		
- fixed deposits and other deposits	75,01,511	26,56,231
- delayed payment charged from customers	99,59,997	1,66,00,984
- loan to subsidiary	28,98,423	9,31,385
- Others	1,16,658	-
Discount on early payments	22,02,689	42,25,376
Profit on disposal of property, plant and equipment and assets held for sale (net)	1,30,87,628	1,07,24,459
Liabilities written back to the extent no longer required	53,00,514	41,72,600
Gain on foreign currency transactions and translations (net)	48,74,377	-
Rental income (refer note 42)	44,94,890	66,18,244
Bad debts recovered	-	21,15,025
Recovery on settlement of litigation (refer note 50)	-	6,69,03,364
Miscellaneous	1,93,968	11,032
	<u>5,06,30,655</u>	<u>11,49,58,700</u>
<b>26 Cost of raw materials and components consumed</b>		
Inventories at the beginning of the year*	32,14,60,099	29,10,69,676
Add : Purchases during the year	1,28,73,11,215	1,25,15,21,244
Less : Inventories at the end of the year*	31,66,56,658	32,14,60,099
	<u>1,29,21,14,656</u>	<u>1,22,11,30,821</u>
* net of provision for non-moving inventory		



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

(All amounts in Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>27 Purchases of traded goods</b>		
Automation	1,22,03,787	82,76,015
Electric motors	4,42,49,389	4,17,73,901
Industrial control	3,20,45,919	3,10,08,989
Power factor control	58,95,201	69,42,404
Wires and cables	18,96,22,808	21,47,82,748
	<b>28,40,17,104</b>	<b>30,27,84,057</b>
<b>28 Changes in inventories of finished goods, work-in-progress and traded goods</b>		
<b>Inventories at the beginning of the year*</b>		
Finished goods	15,18,77,343	12,07,21,792
Work in progress	36,20,033	57,15,986
Traded goods	1,06,23,210	1,62,55,061
	<b>16,61,20,586</b>	<b>14,26,92,839</b>
<b>Less : Inventories at the end of the year*</b>		
Finished goods	15,55,59,448	15,18,77,343
Work-in progress	12,14,426	36,20,033
Traded goods	1,06,48,532	1,06,23,210
	<b>16,74,22,406</b>	<b>16,61,20,586</b>
<b>Change in inventories</b>	<b>(13,01,820)</b>	<b>(2,34,27,747)</b>
* net of provision for non-moving inventory and lower of cost and net realisable value.		
<b>Details of finished goods</b>		
Automation	22,48,904	6,92,245
Enclosures	1,06,83,515	94,80,178
Industrial control	3,68,54,451	5,61,37,297
Starters	5,03,15,217	3,35,64,785
Power factor control	20,81,095	18,20,890
Switch board and solutions	5,30,54,781	4,97,53,404
Miscellaneous	3,21,485	4,28,544
	<b>15,55,59,448</b>	<b>15,18,77,343</b>
<b>Details of work-in-progress</b>		
Assemblies and sub-assemblies	20,945	62,435
Fabricated components	2,21,824	6,61,227
Machined components	33,551	1,00,011
Moulded parts	1,78,837	5,33,088
Press components	1,59,427	4,75,230
Silver based components	4,25,736	12,69,060
Others	1,74,106	5,18,982
	<b>12,14,426</b>	<b>36,20,033</b>
<b>Details of traded goods</b>		
Automation	24,18,871	48,03,442
Electric motors	40,047	32,301
Industrial control	39,87,270	27,94,844
Power factor control	20,68,668	16,60,701
Wires and cables	21,33,676	13,31,922
	<b>1,06,48,532</b>	<b>1,06,23,210</b>
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus	40,63,91,091	46,06,23,974
Contribution to provident and other funds (refer note 35)	3,24,26,744	5,43,33,387
Workmen and staff welfare expenses	1,84,83,702	2,42,66,767
	<b>45,73,01,537</b>	<b>53,92,24,128</b>



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

(All amounts in Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>30 Finance costs</b>		
Interest expense	17,33,018	37,91,069
Interest on delay in payment of income-taxes	39,79,284	5,98,705
Bank charges and processing fees	57,15,515	71,82,953
	<u>1,14,27,817</u>	<u>1,15,72,727</u>
<b>31 Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment (refer note 11A)	5,14,41,242	5,51,70,793
Amortisation on intangible assets (refer note 11B)	24,48,339	25,36,474
	<u>5,38,89,581</u>	<u>5,77,07,267</u>
<b>32 Other expenses</b>		
Consumption of stores and spares parts	8,07,06,921	9,51,68,908
Power and fuel	4,49,00,368	5,09,12,361
Repairs and maintenance:		
- Buildings	30,15,023	55,02,811
- Machinery	70,25,605	1,06,93,813
- Others	68,30,243	78,81,106
Job processing charges	1,35,27,671	2,07,11,417
Rent (refer note 42)	1,66,78,803	1,91,06,052
Insurance	30,51,210	17,58,150
Rates and taxes	18,78,190	1,32,76,800
Travelling and conveyance	1,36,39,864	2,73,58,161
Loss on foreign currency transactions and translations (net)	-	2,43,825
Marketing and publicity	21,80,993	86,61,860
Discount and rebates	3,85,88,264	2,88,95,676
Bad debts written off	6,11,040	4,75,369
Provision for doubtful receivables, advances and deposits	3,65,82,771	73,99,466
Donations	51,90,000	49,82,000
Packing expenses	84,61,251	1,07,09,478
Outward freight	4,73,43,687	5,51,71,220
Provision for warranty	24,28,086	23,76,328
Provision for obsolete capital work-in-progress	26,07,494	21,39,588
Research and development	21,88,779	30,55,096
Legal and professional (refer note 44)	1,54,66,439	2,01,74,087
Printing and stationery	18,85,596	22,46,469
Communication	52,15,670	55,95,536
Office security	1,24,02,233	1,26,46,814
Software maintenance	1,44,36,615	1,30,92,159
Corporate social responsibility expenses (refer note 47)	53,89,380	39,19,366
Contractual labour charges	15,15,46,953	19,28,33,394
Miscellaneous	92,38,323	1,10,31,435
	<u>55,30,17,472</u>	<u>63,80,18,745</u>
<b>33 In-house capitalisation of tools</b>		
Cost of materials consumed	3,99,717	8,69,673
Employee benefits expense	11,80,838	22,49,909
Depreciation and amortisation expenses	14,16,425	40,19,664
Other expenses	2,99,949	10,75,161
	<u>32,96,929</u>	<u>82,14,407</u>



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021  
(All amounts in Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>34 Earnings per equity share</b>		
a) Net profit attributable to equity shareholders	24,82,71,543	20,53,77,915
b) Computation of weighted average number of shares for:		
Basic earnings per share (number)	34,57,711	34,57,711
Diluted earnings per share (number)	34,57,711	34,57,711
c) Nominal value of shares	10	10
d) Earnings per share		
Basic earnings per share	71.80	59.40
Diluted earnings per share	71.80	59.40

### 35 Defined contribution plans

The Company makes fixed contribution towards Employees' State Insurance (ESI) for qualifying employees. The contribution in ESI at a specified percentage of payroll cost. The Company recognised Rs. 588,684 (previous year - Rs 842,889) for contribution to ESI in the Statement of Profit and Loss.

#### Defined benefits plans

Gratuity, compensated absences and provident fund have been recognised as defined benefit plan in accordance with accounting standard -15 "Employee benefits" as under:-

	Gratuity		Compensated absences		Provident fund	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
<b>(i) Present value of defined benefit obligation</b>						
Balance at the beginning of the year	10,61,03,977	9,46,33,499	6,19,74,085	5,59,19,320	53,18,56,131	45,43,22,064
Current service cost	89,57,273	78,57,535	81,05,132	71,64,621	2,14,12,558	2,42,78,038
Interest cost	64,09,907	64,75,251	38,31,138	38,87,274	3,26,01,136	3,42,53,202
Contribution by plan participants	-	-	-	-	3,48,63,025	4,43,16,609
Actuarial losses/(gains)	(38,64,886)	77,77,084	(82,15,919)	(3,93,633)	79,30,629	70,09,084
Benefits paid	(1,18,98,353)	(1,06,39,392)	(42,25,102)	(46,03,497)	(10,12,02,328)	(3,23,22,866)
<b>Balance at the end of the year</b>	<b>10,57,07,918</b>	<b>10,61,03,977</b>	<b>6,14,69,334</b>	<b>6,19,74,085</b>	<b>52,74,61,151</b>	<b>53,18,56,131</b>
<b>(ii) Fair value of plan assets</b>						
Balance at the beginning of the year	8,80,95,373	8,23,91,160	NA	NA	53,18,56,131	45,43,22,064
Expected return on plan assets	73,39,561	66,90,360	NA	NA	3,26,01,136	3,42,53,202
Actuarial losses/(gains)	(48,69,899)	34,62,840	NA	NA	(79,30,629)	(70,09,084)
Contribution by the Company	1,82,13,760	1,24,47,575	NA	NA	2,14,12,558	2,42,78,038
Contribution by plan participants	-	-	NA	NA	3,48,63,025	4,43,16,609
Benefits paid	(1,09,15,469)	(99,70,882)	NA	NA	(10,12,02,328)	(3,23,22,866)
<b>Balance at the end of the year</b>	<b>10,76,03,124</b>	<b>8,80,95,373</b>	<b>NA</b>	<b>NA</b>	<b>52,74,61,151</b>	<b>53,18,56,131</b>
<b>(iii) Assets and liabilities recognised in the balance sheet</b>						
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation	10,57,07,918	10,61,03,977	6,14,69,334	6,19,74,085	52,74,61,151	53,18,56,131
Less: Fair value of plan assets	10,76,03,124	8,80,95,373	-	-	52,74,61,151	53,18,56,131
<b>Liability recognised in the balance sheet</b>	<b>*</b>	<b>1,80,08,604</b>	<b>6,14,69,334</b>	<b>6,19,74,085</b>	<b>*</b>	<b>*</b>

\* Fair value of plan assets is more than the present value of defined benefit obligation, therefore no liability has been recognised in Balance Sheet and Statement of Profit and Loss.

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
<b>(iv) Expense recognised in the Statement of Profit and Loss</b>						
Current service cost	89,57,273	78,57,535	81,05,132	71,64,621	2,14,12,558	2,42,78,038
Interest cost	64,09,907	64,75,251	38,31,138	38,87,274	3,26,01,136	3,42,53,202
Expected return on plan assets	(73,39,561)	(66,90,360)	-	-	(3,26,01,136)	(3,42,53,202)
Actuarial losses/(gains)	(87,34,785)	1,12,39,924	(82,15,919)	(3,93,633)	-	-
	<b>*</b>	<b>1,88,82,350</b>	<b>37,20,351</b>	<b>1,06,58,262</b>	<b>2,14,12,558</b>	<b>2,42,78,038</b>

\* Since the trust to which contribution is made is irrevocable and no amount contributed to the fund shall be recoverable by the Company, hence, no assets have been recorded.

# BCH ELECTRIC LIMITED



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021  
(All amounts in Rupees, unless otherwise stated)

## (v) Current / non-current liability

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current liability	-	-	2,00,13,284	1,48,82,823	-	-
Non-current liability	-	1,80,08,604	4,14,56,050	4,70,91,262	-	-
<b>Total</b>	<b>-</b>	<b>1,80,08,604</b>	<b>6,14,69,334</b>	<b>6,19,74,085</b>	<b>-</b>	<b>-</b>

The current / non-current split is based on the net liability.

## (vi) Actuarial assumptions

Discount rate	6.40%	6.40%	6.40%	6.40%	6.40%	6.40%
Salary growth rate	5.00%	5.00%	5.00%	5.00%	NA	NA
Attrition rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## (vii) Amounts recognised in current year and previous four years

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
<b>Gratuity</b>					
Defined benefit obligation	10,57,07,918	10,61,03,977	9,46,33,496	8,90,17,180	8,07,81,950
Experience adjustments in plan assets	48,69,899	(34,62,840)	5,21,850	(6,22,595)	24,14,098
Experience adjustment on plan liabilities	(38,64,886)	39,97,510	43,34,092	49,57,359	15,48,231
<b>Compensated absences</b>					
Defined benefit obligation	6,14,69,334	6,19,74,085	5,59,19,319	5,26,92,267	5,17,43,000
Experience adjustment on plan liabilities	(82,15,919)	(27,41,069)	(17,42,900)	(22,17,742)	(29,92,382)
<b>Provident fund</b>					
Defined benefit obligation	52,74,61,151	53,18,56,131	45,43,22,064	39,05,88,187	33,53,30,667
Plan assets	52,74,61,151	53,18,56,131	45,43,22,064	40,15,37,076	35,28,65,728

## 36 Value of imports calculated on CIF basis

	31 March 2021	31 March 2020
Purchase of:		
- Raw materials	56,54,161	2,85,14,802
- Components and spare parts	1,09,51,666	1,22,42,942
- Others (including capital goods)	4,41,17,532	3,48,92,991
	<b>6,07,23,359</b>	<b>7,56,50,735</b>

## 37 a) Details of consumption of raw materials and components

Silver based components	10,46,68,851	9,89,18,745
Brass based components	1,26,41,134	1,19,46,679
Copper based components	3,10,05,539	2,93,02,214
Cold rolled closed annealed steel sheet	3,43,38,281	3,24,51,867
Fabricated components	7,22,85,735	6,83,14,633
Machined components	2,26,58,292	2,14,13,532
Moulded parts	4,45,34,678	4,20,88,113
Press components	8,77,24,358	8,29,05,118
Assemblies and sub-assemblies	51,15,97,153	48,34,91,963
Others	37,06,60,634	35,02,97,957
	<b>1,29,21,14,656</b>	<b>1,22,11,30,821</b>

## 37 b) Details of imported and indigenous consumption

	Year ended 31 March 2021		Year ended 31 March 2020	
	Amount	%	Amount	%
<b>(i) Raw material and components</b>				
Imported	2,80,57,930	2%	4,90,14,657	4%
Indigenous	1,26,40,56,726	98%	1,17,21,16,164	96%
<b>Total</b>	<b>1,29,21,14,656</b>		<b>1,22,11,30,821</b>	
<b>(ii) Stores and spares*</b>				
Imported	4,35,929	0.5%	4,37,766	0.5%
Indigenous	8,02,70,992	99%	9,47,31,142	100%
<b>Total</b>	<b>8,07,06,921</b>		<b>9,51,68,908</b>	

\* Includes stores, spare parts and loose tools consumed for repairs amounting to Rs. 11,887,868 (previous year Rs. 18,852,336).





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**BCH ELECTRIC LIMITED**

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

(All amounts in Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>38 Earnings in foreign currency (on accrual basis)</b>		
Revenue from exports on FOB basis	4,62,82,667	4,64,66,247
	<b>4,62,82,667</b>	<b>4,64,66,247</b>

**39 Segment reporting**

The Company's business is organised into one business segment, namely Electrical and Electronic Control devices which as per the notified Accounting Standard - 17 on "Segment Reporting" is considered to be the only reportable business segment.

The business of Company is primarily concentrated in India and India is considered as one geographical segment. Activities outside India is limited only to export sales and the income attributable to such foreign operations is immaterial.

**40 Provisions**

The Company has following significant provisions in the books of accounts as at year end:

Description	Balance as on 1 April 2020	Additions during the year	Utilised/ reversed during the year	Balance as on 31 March 2021
Provision for warranty	60,46,922	24,28,086	28,91,092	55,83,916
Provision for obsolete capital work-in-progress (refer note 11C)	1,17,10,617	26,07,494	-	1,43,18,111
Provision for doubtful receivables	4,66,75,292	3,34,03,548	94,99,459	7,05,79,381
Provision for doubtful advances	1,38,63,120	31,13,814	-	1,69,76,934
Provision for doubtful deposits	34,47,741	65,410	-	35,13,151
Provision for non-moving inventory	3,31,73,522	1,12,34,143	-	4,44,07,665

Description	Balance as on 1 April 2019	Additions during the year	Utilised/ reversed during the year	Balance as on 31 March 2020
Provision for warranty	66,23,263	23,76,328	29,52,669	60,46,922
Provision for obsolete capital work-in-progress (refer note 11C)	95,71,029	21,39,588	-	1,17,10,617
Provision for doubtful receivables	5,38,91,385	26,27,066	98,43,159	4,66,75,292
Provision for doubtful advances	92,32,457	46,30,663	-	1,38,63,120
Provision for doubtful deposits	33,06,004	1,41,737	-	34,47,741
Provision for non-moving inventory	2,81,22,256	50,51,266	-	3,31,73,522

**41 Related party disclosures**

Related party disclosures, as required by Accounting Standard 18 - 'Related Party Disclosures', notified under the Act are given below:

**(i) Subsidiary company**

Jasper Engineers Private Limited (with effect from 17 September 2019)

**(ii) Parties where control exists**

Mr. O.P. Bhartia (Chairman and Managing Director)

**(iii) Key management personnel**

Mr. O.P. Bhartia (Chairman and Managing Director)

Ms. Rajyashree Bhartia (Whole-Time Director)

Mr. Akhilesh Bhartia (Director)

Mr. Abhishek Bhartia (Director)

Mr. Kishan Bhartia (Whole-Time Director)

Mr. Probir Chandra Sen (Independent Director)

Mr. Indrajeet Singh (Independent Director)

Mr. Shyam Sundar Goenka (Independent Director) (till 10 December 2020)

**(iv) Entities over which key management personnel exercise significant influence (where transactions have occurred during the year)**

Bhartia Vidyut India Private Limited

O.P. Bhartia (HUF)



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

### (v) Transactions with related parties during the year

Particulars	Subsidiary company		Key management personnel		Entities over which key management personnel is exercising significant influence		Total	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
<b>Remuneration paid</b>	-	-	3,15,92,428	3,71,67,563	-	-	3,15,92,428	3,71,67,563
Mr. O.P. Bhartia	-	-	1,39,74,000	1,64,40,000	-	-	1,39,74,000	1,64,40,000
Mrs. Rajyashree Bhartia	-	-	61,33,498	72,15,881	-	-	61,33,498	72,15,881
Mr. Akhilesh Bhartia	-	-	82,31,194	96,83,757	-	-	82,31,194	96,83,757
Mr. Kishan Bhartia	-	-	32,53,736	38,27,925	-	-	32,53,736	38,27,925
<b>Directors sitting fees paid</b>	-	-	1,20,000	1,80,000	-	-	1,20,000	1,80,000
Mr. Abhishek Bhartia	-	-	40,000	20,000	-	-	40,000	20,000
Mr. Probir Chandra Sen	-	-	40,000	20,000	-	-	40,000	20,000
Mr. Indrajit Singh	-	-	40,000	80,000	-	-	40,000	80,000
Mr. Shyam Sundar Goenka	-	-	-	60,000	-	-	-	60,000
<b>Lease rental paid</b>	-	-	-	-	20,42,199	26,40,000	20,42,199	26,40,000
Bhartia Vidut India Private Limited	-	-	-	-	9,00,000	12,00,000	9,00,000	12,00,000
O.P. Bhartia (HUF)	-	-	-	-	11,42,199	14,40,000	11,42,199	14,40,000
<b>Investment made in subsidiary</b>	-	1	-	-	-	-	-	1
Jasper Engineers Private Limited	-	1	-	-	-	-	-	1
<b>Loan to subsidiary</b>	35,71,511	6,23,02,227	-	-	-	-	35,71,511	6,23,02,227
Jasper Engineers Private Limited	35,71,511	6,23,02,227	-	-	-	-	35,71,511	6,23,02,227
<b>Interest on loan to subsidiary</b>	28,98,423	9,31,385	-	-	-	-	28,98,423	9,31,385
Jasper Engineers Private Limited	28,98,423	9,31,385	-	-	-	-	28,98,423	9,31,385

### (vi) Balances with related parties as on 31 March 2021

Particulars	Subsidiary company		Key management personnel		Entities over which key management personnel is exercising significant influence		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Remuneration payable</b>	-	-	9,66,084	10,17,442	-	-	9,66,084	10,17,442
Mr. O.P. Bhartia	-	-	3,78,408	5,96,470	-	-	3,78,408	5,96,470
Mrs. Rajyashree Bhartia	-	-	-	1,89,656	-	-	-	1,89,656
Mr. Akhilesh Bhartia	-	-	3,61,302	1,80,681	-	-	3,61,302	1,80,681
Mr. Kishan Bhartia	-	-	2,26,374	50,635	-	-	2,26,374	50,635
<b>Lease rental payable</b>	-	-	-	-	-	2,20,000	-	2,20,000
Bhartia Vidut India Private Limited	-	-	-	-	-	1,00,000	-	1,00,000
O.P. Bhartia (HUF)	-	-	-	-	-	1,20,000	-	1,20,000
<b>Loan receivable from subsidiary</b>	6,58,73,738	6,23,02,227	-	-	-	-	6,58,73,738	6,23,02,227
Jasper Engineers Private Limited	6,58,73,738	6,23,02,227	-	-	-	-	6,58,73,738	6,23,02,227
<b>Interest accrued on loan to subsidiary</b>	35,39,966	9,31,385	-	-	-	-	35,39,966	9,31,385
Jasper Engineers Private Limited	35,39,966	9,31,385	-	-	-	-	35,39,966	9,31,385

### 42 Leases

#### Operating lease commitment - Company as a lessee

The Company has significant leases for its premises. These lease arrangements range for a period between 11 months and 3 years, which are cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. However, there are no contingent rents, subleases or significant restrictions in the lease agreements.

	Year ended 31 March 2021	Year ended 31 March 2020
With respect to all operating leases:		
- Lease payments recognised in the Statement of Profit and Loss during the year	1,66,78,803	1,91,06,052

#### Operating lease - Company as a lessor

The Company has given properties on lease under operating lease agreements which are cancellable leases. These leases are renewable for further period on mutually agreeable terms.

	Year ended 31 March 2021	Year ended 31 March 2020
With respect to all operating leases:		
- Lease rental income recognised in the Statement of Profit and Loss during the year	44,94,890	66,18,244

### 43 Assets held for sale

The Company had closed its GLS Lamps manufacturing unit at Alwar due to continuous recession in the lamps manufacturing industry. As the Company is planning to sell the unit, the related assets are valued at written down value or realisable value whichever is less i.e. of Rs. 1,781,899 (previous year Rs. 1,781,899) and disclosed as 'Assets held for sale'.

The Company has land in Dehradun carried at book value of Rs. 335,663 (Previous year: Rs. 627,118) which is classified as 'Assets held for sale'. The realisable value is higher than the carrying value.



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

### 44 Payments to auditors\* :

	Year ended 31 March 2021	Year ended 31 March 2020
As auditor:		
Statutory audit	28,35,000	27,00,000
Tax audit	3,00,000	3,00,000
Reimbursement of expenses	70,400	1,20,200
<b>Total</b>	<b>32,05,400</b>	<b>31,20,200</b>

\* excluding applicable taxes

45 The Company has one manufacturing unit which is located in Rudrapur and was 100% exempted from income-tax till 31 March 2015, and further 30% exempted from 1 April 2015 to 31 March 2020 under the provisions of Section 80 IC of the Income-tax Act, 1961. No further exemption is available to the said unit post 31 March 2020.

### 46 Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposures as at the reporting date

	As at 31 March 2021		As at 31 March 2020	
	Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
<b>Trade payables</b>				
In Euro	72,823	62,51,290	22,713	18,87,421
In USD	2,09,410	1,53,30,074	58,835	44,34,405
In CHF	142	11,005	-	-
	<b>2,82,375</b>	<b>2,15,92,369</b>	<b>81,548</b>	<b>63,21,826</b>

Closing rates are as under:

	As at 31 March 2021	As at 31 March 2020
Euro	85.84	83.10
USD	73.21	75.37
CHF	77.55	-

### 47 Corporate social responsibility

a) Gross amount required to be spent by the Company during the year is Rs. 5,389,380 (previous year : Rs. 3,919,366).

b) Amount spent during the year on :

	Year ended 31 March 2021		Year ended 31 March 2020	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
i) Construction/ acquisition of any assets	-	-	-	-
ii) For purposes other than (i) above	-	53,89,380	39,19,366	-

Note: The aforesaid provision for Corporate Social Responsibility has been subsequently paid to Bharat Lok Shiksha Parishad (EKAL ABHIYAN) amounting to Rs. 5,00,000 on dated 26 July 2021 and to PM CARES FUND amounting to Rs. 48,89,380 on dated 02 September 2021.

c) The Company carries provisions amounting to Rs. 5,389,380 for corporate social responsibility expenses for current year.

d) The Company does not have any excess amount spent during the year and accordingly, no such carry forward of the excess amount.

e) The Company does not have any ongoing projects as at 31 March 2021.



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

48 Capital work-in progress includes Rs. 1,935,818 being the cost of land and construction of house thereon, title of which is not in the name of the Company. The matter is pending at High Court, Delhi.

49 Due to the outbreak of Coronavirus Disease 2019 (COVID - 19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended from 22 March 2020 till 10 May 2020. The Company in compliance with the necessary instructions/guidelines, resumed its operations from 11 May 2020 in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31 March 2021. Further, the recent second wave of COVID - 19 has resulted in partial lockdown/restriction in various states. Management believes that it has taken into account all the possible impacts of known events arising from the COVID - 19 pandemic on the standalone financial statements including its assessment of the Company's liquidity and going concern, recoverable value of its property, plant and equipment, trade receivables, inventories and investment. However, given the uncertainties in the economic environment, management's impact assessment is subject to estimation uncertainties, and accordingly, the actual results in future may be different from those estimated as at the date of approval of these standalone financial statements. The Company will continue to monitor any material changes to the future economic conditions and consequential impact on its business/operations.

50 During the financial year 2018-19, the Hon'ble High Court of Delhi vide order dated 6 February 2019 ordered for release of amount of Rs. 66,903,364 awarded under the Payment of Gratuity Act to the four ex-employees. The said order was challenged by the Company before the Division Bench of the High Court of Delhi and finally the Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide order dated 22 February 2019 directed the parties to maintain status quo in respect of amount released by order dated 6 February 2019 of High Court of Delhi. However, as per prudent accounting norms basis the conservative method of accounting, the Company had written off the amount in the financial year ended 31 March 2019.

The Hon'ble Supreme Court vide order dated 29 April 2020 allowed the appeal of Company and dismissed the claim petition preferred by the respondent and the matter was decided in favor of the Company.

Based on the aforesaid judgement of the Hon'ble Supreme Court, the Company has written back the amount as income in the previous year and the said amount was recovered in August 2020.

51 Details of disclosure under section 186(4) of Companies Act, 2013:

(i) **Loans granted:**

Name of the loanee	Rate of interest	Maximum balance outstanding during the year	As at 31 March 2021	As at 31 March 2020
<i>(unsecured)</i>				
Jasper Engineers Private Limited	4.50%	6,58,73,738	6,58,73,738	6,23,02,227

The above loan is given as per the resolution plan under the Insolvency and Bankruptcy Code, 2016.


(ii) **Investment made:**

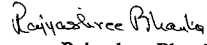
Name of the investee	As at 31 March 2021	As at 31 March 2020
<b>Investment in equity shares</b>		
Jasper Engineers Private Limited	1	1


There are no guarantees or security given by the Company.

52 The previous year amounts have been re-classified/ re-grouped wherever considered necessary, to conform to current year classification.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration Number :001076N/N500013  
Sd/-  
**Manish Agrawal**  
Partner  
Membership No. : 507000

For and on behalf of the Board of Directors of  
**BCH Electric Limited**  
  
**O.P. Bhartia**  
Chairman and Managing Director  
DIN No. 00740126

  
**Rajyashree Bhartia**  
Director  
DIN No. 01057665

  
**Anand Khandelwal**  
Company Secretary and Financial Controller  
PAN No.: ANFPK3690N

Place: Ghaziabad  
Date: 06 September 2021

Place: New Delhi  
Date: 06 September 2021

**Independent Auditor's Report  
To the Members of BCH Electric Limited  
Report on the Audit of the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying consolidated financial statements of BCH Electric Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit, and consolidated cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.
4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

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

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

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 (as amended). 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 of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 consolidated financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. 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.

**Other Matter**

11. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of 64,209,426 and net assets of (11,559,894) as at 31 March 2021, total revenues of 10,994,724 and net cash outflows amounting to 85,028 for the year ended on that date, as considered in the consolidated financial statements. This financial statements has been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.



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## BCH ELECTRIC LIMITED

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 11, on separate financial statements of the subsidiary, we report that the Holding Company paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the subsidiary company covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of the subsidiary company.
13. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the subsidiary, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 22 and note 45 to the consolidated financial statements;
    - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, during the year ended 31 March 2021; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 21507000AAAADZ9628

Place: Ghaziabad  
Date: 6<sup>th</sup> September 2021

**Annexure I to the Independent Auditor's Report of even date to the members of BCH Electric Limited on the consolidated financial statements for the year ended 31 March 2021**

**List of entity included in the consolidated financial statements**

**Subsidiary company**

- a. Jasper Engineers Private Limited.

**Annexure II to the Independent Auditor's Report of even date to the members of BCH Electric Limited on the consolidated financial statements for the year ended 31 March 2021**

**Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of BCH Electric Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, as aforesaid.

**Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

6. A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly





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**BCH ELECTRIC LIMITED**

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

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

**Opinion**

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matter**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of 64,209,426 and net assets of (11,559,894) as at 31 March 2021, total revenues of 10,994,724 and net cash outflows amounting to 85,028 for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to the subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to the subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Manish Agrawal**

Partner

Membership No.: 507000

UDIN: 21507000AAAADZ9628

**Place:** Ghaziabad

**Date:** 6<sup>th</sup> September 2021



# BCH ELECTRIC LIMITED

Consolidated Balance Sheet as at 31 March 2021  
(All amounts in Rupees, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	3,45,77,110	3,45,77,110
Reserves and surplus	4	1,49,57,86,828	1,25,19,70,552
		<u>1,53,03,63,938</u>	<u>1,28,65,47,662</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	18,94,596	36,70,407
Other long-term liabilities	6	1,71,73,546	1,63,23,546
Long-term provisions	7	4,14,56,050	6,50,99,866
		<u>6,05,24,192</u>	<u>8,50,93,819</u>
<b>Current liabilities</b>			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	8A	1,29,41,979	1,65,00,306
- total outstanding dues of creditors other than micro enterprises and small enterprises	8B	58,60,15,706	55,45,26,568
Other current liabilities	9	10,73,23,659	10,06,29,435
Short-term provisions	10	5,56,26,568	2,96,65,431
		<u>76,19,07,912</u>	<u>70,13,21,740</u>
		<u>2,35,27,96,042</u>	<u>2,07,29,63,221</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11A	34,46,23,499	38,12,15,645
Intangible assets	11B	41,52,808	65,21,147
Capital work-in-progress	11C	1,38,19,620	81,42,706
Goodwill arising on consolidation		33,32,216	33,32,216
Non-current investments	12	13,070	13,070
Deferred tax assets	13	6,09,25,794	5,68,98,531
Long-term loans and advances	14	6,51,31,054	5,60,79,658
Other non-current assets	15	1,29,14,107	1,22,31,155
		<u>50,49,12,168</u>	<u>52,44,34,128</u>
<b>Current assets</b>			
Current investments	16	12,99,93,500	-
Inventories	17	49,84,99,390	50,31,86,884
Trade receivables	18	75,54,43,316	78,86,88,267
Cash and bank balances	19	40,97,67,464	11,79,30,274
Short-term loans and advances	20	4,75,37,006	4,56,52,067
Other current assets	21	66,43,198	9,30,71,601
		<u>1,84,78,83,874</u>	<u>1,54,85,29,093</u>
		<u>2,35,27,96,042</u>	<u>2,07,29,63,221</u>

Summary of significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements.  
This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration Number :001076N/N500013

For and on behalf of the Board of Directors of  
BCH Electric Limited

Sd/-  
Manish Agrawal  
Partner  
Membership no.: 507000

*O.P. Bhartia*  
O.P. Bhartia  
Chairman and Managing Director  
DIN No. 00740126

*Rajyashree Bhartia*  
Rajyashree Bhartia  
Director  
DIN No. 01057665

*Anand Khandelwal*  
Anand Khandelwal  
Company Secretary and Financial Controller  
PAN No.: ANFPK3690N

Place: Ghaziabad  
Date: 06 September 2021

Place: New Delhi  
Date: 06 September 2021

**BCH****BCH ELECTRIC LIMITED****Consolidated Statement of Profit and Loss for the year ended 31 March 2021**  
*(All amounts in Rupees, unless otherwise stated)*

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	24	2,95,54,94,211	2,91,26,22,417
Other income	25	4,78,53,994	11,40,79,701
<b>Total revenue</b>		<b>3,00,33,48,205</b>	<b>3,02,67,02,118</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	26	1,30,20,94,850	1,22,11,30,821
Purchases of traded goods	27	28,40,17,104	30,27,84,057
Changes in inventories of finished goods, work-in-progress and traded goods	28	(13,01,820)	(2,34,27,747)
Employee benefits expense	29	45,89,77,293	53,96,70,664
Finance costs	30	1,14,43,545	1,15,94,910
Depreciation and amortisation expenses	31	5,42,25,176	5,79,11,216
Other expenses	32	55,43,51,500	64,02,39,489
		<b>2,66,38,07,648</b>	<b>2,74,99,03,410</b>
Less: In-house capitalisation of tools	33	(32,96,929)	(82,14,407)
<b>Total expenses</b>		<b>2,66,05,10,719</b>	<b>2,74,16,89,003</b>
		<b>34,28,37,486</b>	<b>28,50,13,115</b>
<b>Profit before tax</b>			
<b>Tax expense:</b>			
Current tax (including tax earlier years)		10,30,48,473	7,30,24,449
Deferred tax		(40,27,263)	1,03,83,162
<b>Total tax expense</b>		<b>9,90,21,210</b>	<b>8,34,07,611</b>
<b>Profit for the year</b>		<b>24,38,16,276</b>	<b>20,16,05,504</b>
<b>Earnings per equity share (of Rs. 10 each)</b>	34		
- Basic		70.51	58.31
- Diluted		70.51	58.31
<b>Summary of significant accounting policies</b>	2		

The accompanying notes are an integral part of these consolidated financial statements.  
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration Number :001076N/N500013

For and on behalf of the Board of Directors of  
BCH Electric Limited

Manish Agrawal  
Partner  
Membership no.: 507000

O.P. Bhartia  
Chairman and Managing Director  
DIN No. 00740126

Rajyashree Bhartia  
Director  
DIN No. 01057665

Anand Khandelwal  
Company Secretary and Financial Controller  
PAN No.: ANFPPK3690N

Place: Ghaziabad  
Date: 06 September 2021

Place: New Delhi  
Date: 06 September 2021



# BCH ELECTRIC LIMITED

Consolidated Cash Flow Statement for the year ended 31 March 2021  
(All amounts in Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flow from operating activities:</b>		
Profit before tax	34,28,37,486	28,50,13,115
<b>Adjustments for:</b>		
Depreciation and amortisation expense	5,42,25,176	5,79,11,216
Interest income on fixed deposits and other deposits	(76,23,272)	(26,56,231)
Interest income on others	(1,16,658)	-
Liabilities written back to the extent no longer required	(53,00,514)	(41,72,600)
Provision for obsolete capital work-in-progress	26,07,494	21,39,588
Provision for non-moving inventory	1,12,34,143	50,51,266
Profit on disposal of property, plant and equipment and assets held for sale (net)	(1,30,87,628)	(1,07,24,459)
Bad debts written off	6,11,040	4,75,369
Provision for doubtful receivables, advances and deposits	3,65,82,771	73,99,466
Finance costs	1,14,43,545	1,15,94,910
Provision for warranty	24,28,086	23,76,328
Unrealised foreign exchange loss (net)	4,34,379	2,43,330
<b>Operating profit before working capital changes</b>	<b>43,62,76,048</b>	<b>35,46,51,298</b>
<b>Changes in working capital:</b>		
Trade receivable	(7,69,636)	26,35,06,855
Loans and advances	8,46,47,356	(10,50,28,272)
Inventories	(65,46,649)	(6,06,82,514)
Trade and other payables	1,88,17,364	(11,30,80,393)
<b>Cash flow from operations</b>	<b>53,24,24,483</b>	<b>33,93,66,974</b>
Direct taxes paid (net)	(8,44,19,403)	(7,46,51,538)
<b>Net cash flow from operating activities</b>	<b>44,80,05,080</b>	<b>26,47,15,436</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(2,75,29,664)	(3,80,55,704)
Proceeds from disposal of property, plant and equipment and assets held for sale	1,33,60,595	1,15,51,208
Investment in mutual funds	(12,99,93,500)	-
Investment in deposits (net)	(24,89,95,408)	(5,74,76,462)
Loan to employee	(1,00,00,000)	-
Proceeds from repayment of loan to employee	58,414	-
Interest received	77,39,930	26,56,231
<b>Net cash used in investing activities</b>	<b>(39,53,59,633)</b>	<b>(8,13,24,727)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long-term borrowings	-	22,58,000
Repayment of long-term borrowings	(16,62,674)	(3,66,03,007)
Repayment of short-term borrowings (net)	-	(19,81,95,410)
Finance charges	(74,58,039)	(1,18,47,544)
<b>Net cash used in financing activities</b>	<b>(91,20,713)</b>	<b>(24,43,87,961)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,35,24,734</b>	<b>(6,09,97,252)</b>
Cash and cash equivalents at the beginning of the year	5,77,02,263	11,86,01,332
Cash and cash equivalents on acquisition of subsidiary	-	98,183
<b>Cash and cash equivalents at the end of the year (refer note 19)</b>	<b>10,12,26,997</b>	<b>5,77,02,263</b>

The Consolidated Cash Flow Statement has been prepared under the 'indirect method' as set out in AS 3, 'Cash Flow Statements'.

### Summary of significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.  
This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration Number :001076N/N500013

Sd/-

Manish Agrawal  
Partner  
Membership no.: 507000

For and on behalf of the Board of Directors of  
BCH Electric Limited

*O.P. Bhartia*

O.P. Bhartia  
Chairman and Managing Director  
DIN No. 00740126

*Rajyashree Bhartia*

Rajyashree Bhartia  
Director  
DIN No. 01057665

*Anand Khandelwal*  
Anand Khandelwal  
Company Secretary and Financial Controller  
PAN No.: ANFPK3690N

Place: Ghaziabad  
Date: 06 September 2021

Place: New Delhi  
Date: 06 September 2021



**Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021**

**1. Background**

BCH Electric Limited (the 'Holding Company') is engaged in business of manufacturing and trading of electrical and electronic control devices. The Holding Company has manufacturing plants in Faridabad (Haryana) and Rudrapur (Uttarakhand), India and sells primarily in India through independent dealers. The Holding Company is a public limited company.

Jasper Engineers Private Limited (the 'subsidiary') became a wholly owned subsidiary of the Holding Company with effect from 17 September 2019 with its registered office in Delhi.

The Holding Company has acquired 100% stake in the subsidiary as per the Resolution plan submitted under the Insolvency and Bankruptcy Code, 2016 and approved by National Company Law Tribunal ('NCLT') vide its order dated 17 September 2019.

**2. Summary of significant accounting policies**

**a. Principles of consolidation**

The consolidated financial statements include the financial statements of the Holding Company and its undermentioned subsidiary (hereinafter referred as the 'Group') –

Statement of entities consolidated

Company	Date of shareholding	Country of incorporation	Percentage of holding
Jasper Engineers Private Limited	17 September 2019	India	100%

The consolidated financial statements have been prepared in accordance with the notified Accounting Standard (AS-21) on 'consolidated financial statement'. The consolidated financial statement have been prepared on the following basis:

- i) Consolidated financial statement normally includes Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and summary of significant accounting policies and other explanatory information that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as adapted by the Holding Company for its standalone financial statements.
- ii) The consolidated financial statements include the financial statements of the Holding Company and its subsidiary.
- iii) The consolidated financial statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits/losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Holding Company and its share in the post-acquisition profit increase in the relevant reserves of the entity to be consolidated. The excess of cost to the Group of its investments in the subsidiary company over the book value of net assets therein, as on the date of investment is recognised in the financial statements as goodwill. Goodwill arising on consolidation is tested for impairment annually.
- iv) 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, to the extent possible, in the same manner as the Holding Company's standalone financial statements.
- v) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as of the Holding Company.
- vi) As per Schedule III to the Companies Act, 2013 (the 'Act'), read with applicable Accounting Standard and General Circular 39/2014 dated 14 October 2014, the disclosures relevant to the consolidated financial statements have been disclosed. Further, additional statutory information disclosed in separate financial statements of the subsidiary having no bearing on the true and fair view of the consolidated financial statements is not disclosed in these consolidated financial statements.

**b. Basis of preparation**

The consolidated financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). These consolidated financial statements have been prepared on a going concern basis and the accounting policies have been consistently applied by the Group.

All assets and liabilities have been classified as current or non-current, when applicable based on the operating cycle of the Group as per the guidance set out in the Schedule III to the Act.

**c. Use of estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revision, if any, are recognised in the current and future periods.

**c. Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land where no depreciation has been charged) and impairment, if any. Cost comprises the purchase price and any attributable cost (net of input credit available) of bringing the asset to its working condition for its intended use.

Property, plant and equipment under construction and cost of assets not ready for use before the year-end, are classified as capital work-in-progress and on completion the costs are allocated to the respective property, plant and equipment.

Cost of in-house tools capitalised includes cost of stores and spares and other cost directly attributable to the construction of those tools.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the consolidated financial statements. Any expected loss is recognised immediately in the Consolidated Statement of Profit and Loss.

Depreciation on property, plant and equipment other than leasehold land and leasehold improvements is provided using written down value method, computed on the basis of useful life prescribed in Schedule II to the Act, on a pro-rata basis from the date the asset is ready for use. Leasehold land is amortised over the lease period. Leasehold improvements are amortised over the lease period or useful life of assets, whichever is lower.

**d. Intangible assets and amortisation**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any

Intangible assets are recognised if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Group.

Technical know how fees are amortised on a straight line basis over the best estimated useful life of the assets or 10 years, whichever is lower

Bought out software are amortised on a straight line basis over its useful life or 5 years, whichever is lower.

The amortisation rates are indicative of the expected useful lives of the assets and are amortised on straight line basis.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

**e. Impairment of assets**

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable



amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the Statement of Profit and Loss.

**f. Investments**

Investments are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Trade investments are the investments made for or to enhance the Group's business interests.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost. Provision for diminution in their value, other than temporary, if any, is recognised in the consolidated financial statements.

Profit/loss on sale of investments is computed with reference to the average cost of the investment.

**g. Inventories**

**Inventories are valued as follows:**

Raw materials including components, packing materials, stores and spares and goods in transit - At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress - At lower of cost up to estimated stage of completion and net realizable value.

Finished goods and traded goods - At lower of cost and net realisable value.

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

**Cost of inventories is ascertained on the following basis:**

Raw materials, stores and spare parts and packing materials - on weighted average method.

Finished goods purchased for resale - on weighted average method.

Cost of manufactured finished goods and work-in-process comprises of material, labour and other related production overheads including depreciation.

**h. Foreign currency transactions and translation**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate.

The exchange differences arising on such conversion and on settlement of the transactions are recognised in the Statement of Profit and Loss.

**i. Revenue recognition**

**- Sale of goods:**

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer and there is no uncertainty in the ultimate collections and is stated net of trade discounts, sales return and goods and services tax, wherever applicable.

**- Sale of services:**

Revenue from the sale of services is recognised when the services are rendered and there is no uncertainty in the ultimate collections.

## BCH ELECTRIC LIMITED

### - Other income:

- i. Rental income is being accounted for on accrual basis, based upon the lease agreements with the parties except where the ultimate collection is considered doubtful.
- ii. Interest income is recognised on a time proportion basis at the applicable rates.
- iii. Interest income on delayed payment from customers is on accrual basis except where the ultimate collection is considered doubtful.

### j. Government grant

- i. **Budgetary support:** Government grants are recognised when there is reasonable assurance that (i) the enterprise will comply with the conditions attached to the government grants, and (ii) the grants will be received.
- ii. Government grant in the nature of contribution towards capital cost of setting up projects are treated as capital reserves.

### k. Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset to the extent it pertains to brought forward business loss/ unabsorbed depreciation is recognised only to the extent that there is virtual certainty of realization based on convincing evidence, as evaluated on a case to case basis.

### l. Contingent liabilities and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Group not acknowledged as debts are treated as contingent liabilities. The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made.

A disclosure is made for a contingent liability when there is a:

- i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Group; or
- ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- iii) present obligation, where a reliable estimate cannot be made.

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

### m. Leases

#### **Operating leases – Group as a lessee:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

#### **Operating leases – Group as a lessor:**

Assets given on operating leases are included in property, plant and equipment. Rental income from leases are recognised in the Statement of Profit and Loss on straight-line basis over the period of the lease. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

### n. Research and development expenses

Revenue expenditure is charged to the Statement of Profit and Loss under respective heads of account in the year in which it is incurred. Capital expenditure is included in property, plant and equipment and depreciated as per the depreciation policy of the Group.



**o. Employee benefits**

**- Gratuity:**

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Any negative balance (an asset) is not recognised as an asset as the economic benefits in the form of refunds from the plan or reduction in future contribution to the plan is not available as the trust to which the contribution is made is irrevocable.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

**- Compensated absences:**

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

**- Provident fund, employees' state insurance (ESI) and pension fund:**

Contribution towards ESI and pension fund for certain employees are made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

Provident Fund contributions are made to a trust administered by the Holding Company. The Holding Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the trust set up by the Holding Company is additionally provided for. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**- Other short-term benefits:**

Expense in respect of other short term benefits including performance bonus is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**p. Warranty**

Provision for warranty cost is made as a percentage of sales and is based on past experience.

**q. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**r. Cash and cash equivalents**

Cash and cash equivalent comprise of balance at bank, cash on hand and short-term deposits with maturity of three months or less.



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

(All amounts in Rupees, unless otherwise stated)

### 3 Share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of Rs. 10 each	46,00,000	4,60,00,000	46,00,000	4,60,00,000
Preference shares of Rs. 100 each	40,000	40,00,000	40,000	40,00,000
	<b>46,40,000</b>	<b>5,00,00,000</b>	<b>46,40,000</b>	<b>5,00,00,000</b>
<b>Issued, subscribed and fully paid up share capital</b>				
Equity shares of Rs. 10 each fully paid up	34,57,711	3,45,77,110	34,57,711	3,45,77,110
	<b>34,57,711</b>	<b>3,45,77,110</b>	<b>34,57,711</b>	<b>3,45,77,110</b>

(a) There is no change in equity share capital during the current and previous year.

(b) Details of shareholders holding more than 5% of the shares of the Holding Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Mr. O.P. Bhartia *	23,31,423	67.43%	23,31,423	67.43%
Ms. Rajyashree Bhartia	3,65,640	10.57%	3,65,640	10.57%
Mr. Akhilesh Bhartia	3,20,669	9.27%	3,20,669	9.27%

\* including shares held on behalf of O.P. Bhartia (HUF)

(c) The Holding Company has not issued any other shares pursuant to a contract without payment being received in cash or as bonus shares or by way of buy back of shares in the five years preceding the report date.

(d) Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per 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 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.

	As at 31 March 2021	As at 31 March 2020
<b>4 Reserves and surplus</b>		
<b>Capital reserve</b>		
Balance as at the beginning/end of the year	60,21,961	60,21,961
<b>Securities premium reserve</b>		
Balance as at the beginning/end of the year	1,02,41,924	1,02,41,924
<b>General reserve</b>		
Balance as at the beginning/end of the year	24,88,50,998	24,88,50,998
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	98,68,55,669	78,52,50,165
Add : Profit for the year	24,38,16,276	20,16,05,504
Balance as at the end of the year	<b>1,23,06,71,945</b>	<b>98,68,55,669</b>
	<b>1,49,57,86,828</b>	<b>1,25,19,70,552</b>



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

	Non-current		Current maturities	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>5 Long-term borrowings</b>				
<i>Secured</i>				
Vehicle loans				
- from banks	14,72,062	21,39,996	6,67,934	6,40,344
- from financial institutions	4,22,534	15,30,411	11,07,877	10,22,330
	<u>18,94,596</u>	<u>36,70,407</u>	<u>17,75,811</u>	<u>16,62,674</u>
Less: amount disclosed under the head "other current liabilities" (refer note 9)			17,75,811	16,62,674
	<u>18,94,596</u>	<u>36,70,407</u>	-	-

### Repayment terms and security for the outstanding long-term borrowings (including current maturities):

#### Secured

##### Vehicle loans

a) The Holding Company has availed vehicle loan facility from ICICI Bank Limited amounting to Rs. 1,213,000 at a rate of interest of 8.59% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in February 2022. Outstanding balance of the vehicle loan is Rs. 257,650 (previous year Rs. 522,340).

b) The Holding Company has availed vehicle loan facility from Toyota Financial Services India Limited amounting to Rs. 1,700,000 at a rate of interest of 7.85% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in December 2022. Outstanding balance of the vehicle loan is Rs. 667,208 (previous year Rs. 1,012,240).

c) The Holding Company has availed vehicle loan facility from Kotak Mahindra Prime Limited amounting to Rs. 3,198,500 at a rate of interest of 8.18% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in May 2022. Outstanding balance of the vehicle loan is Rs. 863,203 (previous year Rs. 1,540,501).

d) The Holding Company has availed vehicle loan facility from HDFC Bank Limited amounting to Rs. 2,258,000 at a rate of interest of 8.85% per annum. Repayment of term loan is to be done in 60 monthly instalments with last instalment falling due in March 2025. Outstanding balance of the vehicle loan is Rs. 1,882,346 (previous year Rs. 2,258,000).

The aforesaid vehicle loans are secured by way of hypothecation of the vehicle thus purchased.

	As at 31 March 2021	As at 31 March 2020
<b>6 Other long-term liabilities</b>		
Security deposits for contract performance	1,71,73,546	1,63,23,546
	<u>1,71,73,546</u>	<u>1,63,23,546</u>
<b>7 Long-term provisions</b>		
Provision for employee benefits (refer note 35)	4,14,56,050	6,50,99,866
	<u>4,14,56,050</u>	<u>6,50,99,866</u>
<b>8 Trade payables</b>		
(A) Total outstanding dues of micro enterprises and small enterprises; and	1,29,41,979	1,65,00,306
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	58,60,15,706	55,45,26,569
	<u>59,89,57,685</u>	<u>57,10,26,875</u>

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

	31 March 2021	31 March 2020
<b>i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:</b>		
- Principal	1,29,41,979	1,65,00,306
- Interest	93,162	12,222



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	3,25,153	98,583
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	93,162	12,222
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

	As at 31 March 2021	As at 31 March 2020
<b>9 Other current liabilities</b>		
Current maturities of long-term borrowings (refer note 5)	17,75,811	16,62,674
Interest accrued but not due on borrowings	21,874	15,652
Advances from customers	86,10,654	1,50,69,042
Advance against sale of land	-	1,03,83,450
Employee related payables	1,30,62,686	2,14,06,404
Statutory dues	4,02,13,429	1,85,37,311
Incentives payable	3,19,50,032	2,56,79,525
Others	1,16,89,173	78,75,377
	<b>10,73,23,659</b>	<b>10,06,29,435</b>
<b>10 Short-term provisions</b>		
Provision for employee benefits (refer note 35)	2,00,13,284	1,48,82,822
Provision for taxation (net of advance tax)	3,00,29,368	87,35,687
Provision for warranty (refer note 37)	55,83,916	60,46,922
	<b>5,56,26,568</b>	<b>2,96,65,431</b>

**BCH ELECTRIC LIMITED**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

IIA Property, plant and equipment Particulars	Leasehold land	Freehold land	Leasehold improvements	Building	Plant and machinery	Computers and fixtures	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Gross block</b>	4,83,13,208	21,22,136	3,47,20,223	29,17,15,815	1,05,86,45,252	8,17,28,103	3,92,11,447	5,30,10,778	2,33,48,074	1,63,28,15,036
Balance as at 1 April 2019	-	-	-	-	1,28,60,182	1,29,28,706	4,62,330	23,43,492	54,90,816	3,40,85,526
Additions	-	3,84,00,000	-	30,94,859	5,49,369	84,460	31,648	48,442	1,64,035	4,23,72,813
Additions on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-
Disposals/adjustments	-	-	-	(8,71,520)	(35,86,047)	(2,92,490)	(34,501)	(1,83,635)	(33,09,401)	(82,77,594)
Balance as at 31 March 2020	4,83,13,208	4,05,22,136	3,47,20,223	29,39,39,154	1,06,84,68,756	9,44,48,779	3,96,70,924	5,52,19,077	2,56,93,524	1,70,09,95,781
Additions	-	-	-	-	90,67,978	26,97,100	2,64,537	17,30,765	16,97,278	1,54,57,658
Disposals/adjustments	-	-	-	-	-	(31,000)	-	(1,16,848)	(52,60,910)	(54,08,758)
Balance as at 31 March 2021	4,83,13,208	4,05,22,136	3,47,20,223	29,39,39,154	1,07,75,36,734	9,71,14,879	3,99,35,461	5,68,32,994	2,21,29,892	1,71,10,44,681
<b>Accumulated depreciation</b>	74,43,676	-	3,32,53,696	18,41,12,815	87,25,35,953	7,87,27,596	3,31,50,282	4,41,74,976	1,84,57,245	1,27,18,56,239
Balance as at 1 April 2019	10,27,624	-	1,99,900	1,02,14,943	3,45,86,037	22,60,739	15,41,146	35,65,323	19,79,030	5,53,74,742
Charge for the year	-	-	-	(6,07,338)	(32,14,751)	(2,82,815)	(34,485)	(1,66,475)	(31,44,981)	(74,50,845)
Adjustment on disposal/adjustments of assets	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	84,71,300	-	3,34,53,596	19,37,20,420	90,39,07,239	8,07,05,520	3,46,56,943	4,75,73,824	1,72,91,294	1,51,97,80,136
Charge for the year	7,07,348	-	91,834	93,31,496	2,91,27,729	61,03,001	10,97,752	26,54,471	26,63,206	5,17,16,837
Adjustment on disposal/adjustments of assets	-	-	-	-	-	(29,450)	-	(1,08,476)	(49,97,865)	(51,35,791)
Balance as at 31 March 2021	91,78,648	-	3,35,45,430	20,30,51,916	93,30,34,968	8,67,79,071	3,57,54,695	5,01,19,819	1,49,56,635	1,36,64,21,182
<b>Net block</b>	3,98,41,908	4,05,22,136	12,66,627	10,02,18,734	16,45,61,517	1,37,43,259	50,13,981	76,45,253	84,02,230	38,12,15,645
Balance as at 31 March 2020	3,91,34,560	4,05,22,136	11,74,793	9,08,87,238	14,45,01,766	1,03,35,808	41,80,766	67,13,175	71,73,257	34,46,23,499
Balance as at 31 March 2021	-	-	-	-	-	-	-	-	-	-

**11B Intangible assets**

Particulars	Softwares	Technical know how fees	Total
<b>Gross block</b>	4,75,25,004	1,02,88,584	5,78,13,588
Balance as at 1 April 2019	11,06,634	-	11,06,634
Additions	4,86,31,638	1,02,88,584	5,89,20,222
Balance as at 31 March 2020	80,000	-	80,000
Additions	4,87,11,638	1,02,88,584	5,90,00,222
Balance as at 31 March 2021	-	-	-
<b>Accumulated amortisation</b>	4,18,01,897	80,60,704	4,98,62,601
Balance as at 1 April 2019	21,31,445	4,05,029	25,36,474
Charge for the year	4,39,33,342	84,65,733	5,23,99,075
Balance as at 31 March 2020	20,43,310	4,05,029	24,48,339
Charge for the year	4,59,76,652	88,70,762	5,48,47,414
Balance as at 31 March 2021	-	-	-
<b>Net block</b>	46,98,296	18,22,851	65,21,147
Balance as at 31 March 2020	27,34,986	14,17,822	41,52,808
Balance as at 31 March 2021	-	-	-

**11C Capital work-in-progress**

	As at 31 March 2021	As at 31 March 2020
Capital work-in-progress	1,38,19,620	81,42,706
(net of provision for obsolete capital work-in-progress amounting to Rs. 14,318,111 (previous year progress amounting to Rs. 11,710,617) (refer note 45))	1,38,19,620	81,42,706

Note:

Refer note 5 - Long-term borrowings for details regarding property, plant and equipment which are pledged as security for obtaining long-term borrowings.



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
<b>12 Non-current investments</b>		
<b>Other investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments</b>		
<i>Quoted</i>		
240 equity shares (previous year - 240 equity shares) of Rs. 10 each fully paid up in GE Power India Limited (previously known as Alstom Projects Limited)	8,470	8,470
<i>Unquoted</i>		
4,600 equity shares (previous year - 4,600 equity shares) of Rs. 1 each fully paid up in SGBC Owners Association Private Limited	4,600	4,600
	<u>13,070</u>	<u>13,070</u>
Aggregate amount of quoted investments [market value Rs. 68,880 (previous year: Rs. 114,000)]	8,470	8,470
Aggregate amount of unquoted investments	4,600	4,600
<b>13 Deferred tax assets</b>		
<b>Deferred tax asset arising on account of:</b>		
Difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	65,19,127	71,48,648
Provision for doubtful receivables, advances and deposits	2,17,72,827	1,78,79,733
Provision for non-moving inventory	1,11,76,521	96,60,130
Provision for employee benefits	1,54,70,602	1,80,46,853
Others	59,86,717	41,63,167
	<u>6,09,25,794</u>	<u>5,68,98,531</u>
<b>Note:</b>		
During the year, the Group has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for income-tax and re-measured the deferred tax assets on the basis of reduced rate (i.e. 25.17%) resulting in reversal of deferred tax assets amounting to Rs. 7,721,944.		
<b>14 Long-term loans and advances</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
<b>Capital advances</b>		
Unsecured, considered good	42,21,222	24,87,156
Considered doubtful	45,59,504	25,85,972
	<u>87,80,726</u>	<u>50,73,128</u>
Less: Provision for doubtful capital advances	45,59,504	25,85,972
	<u>42,21,222</u>	<u>24,87,156</u>
<b>Security deposits</b>		
Unsecured, considered good	73,80,727	82,21,932
Considered doubtful	11,41,205	11,00,018
	<u>85,21,932</u>	<u>93,21,950</u>
Less: Provision for doubtful deposits	11,41,205	11,00,018
	<u>73,80,727</u>	<u>82,21,932</u>
Advance income tax (including amount paid under protest and net-of-provision)	2,43,64,305	2,56,78,978
Duties and taxes paid under protest (other than above)	1,96,91,592	1,96,91,592
Prepaid expenses	2,63,070	-
Loan to employee	92,10,138	-
	<u>6,51,31,054</u>	<u>5,60,79,658</u>
<b>15 Other non-current assets</b>		
Deposits with maturity more than 12 months (refer note 19)*	1,29,14,107	1,22,31,155
* Held as lien by bank against bank guarantees.	<u>1,29,14,107</u>	<u>1,22,31,155</u>
<b>16 Current investments</b>		
<i>(Valued at cost unless stated otherwise)</i>		
<b>Investment in mutual funds (quoted)</b>		
154,231.25 units (previous year: nil unit) in ICICI Prudential Floating Interest Growth Fund	4,99,97,500	-
2,361,187.35 units (previous year: nil unit) in ICICI Prudential Ultra Short-term Growth Fund	4,99,97,500	-
742,884.67 units (previous year: nil unit) in Nippon India Short-term Growth Fund	2,99,98,500	-
	<u>12,99,93,500</u>	<u>-</u>
Aggregate amount of quoted investments [market value Rs. 131,248,155 (previous year: nil)]	12,99,93,500	-
Aggregate provision made for diminution in value of investments	-	-



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
<b>17 Inventories</b>		
<i>(valued at lower of cost and net realisable value)</i>		
Raw materials and components [Net of provision for non-moving inventory Rs. 20,949,332 (previous year - Rs. 16,204,492)]	31,88,06,658	32,36,10,099
Work-in progress	12,64,426	36,70,033
Finished goods * [Net of provision for non moving-inventory Rs. 13,592,413 (previous year - Rs. 9,062,159)]	15,55,59,448	15,18,77,343
Traded goods# [Net of provision for non-moving inventory Rs. 9,169,013 (previous year - Rs. 6,975,899)]	1,06,48,532	1,06,23,210
Stores and spares [Net of provision for non-moving inventory Rs. 696,907 (previous year - Rs. 930,972)]	1,22,20,326	1,34,06,199
	<u>49,84,99,390</u>	<u>50,31,86,884</u>
*Includes goods-in-transit amounting to Rs. 38,947,301 (previous year - Rs. 25,360,470)		
#Includes goods-in-transit amounting to Rs. 1,326,418 (previous year - Rs. 366,309)		
<b>18 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good*	12,07,288	12,63,840
Unsecured, considered good	2,82,98,216	8,05,66,065
Unsecured, considered doubtful	7,98,06,816	4,66,75,292
	<u>10,93,12,320</u>	<u>12,85,05,197</u>
Less : Provision for bad and doubtful receivables	7,05,79,381	4,66,75,292
	<u>3,87,32,939</u>	<u>8,18,29,905</u>
Others		
Secured, considered good*	36,43,669	35,04,459
Unsecured, considered good	71,30,66,708	70,33,53,903
	<u>71,67,10,377</u>	<u>70,68,58,362</u>
	<u>75,54,43,316</u>	<u>78,86,88,267</u>
	<u>As at 31 March 2021</u>	<u>As at 31 March 2020</u>
<b>19 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	10,08,50,504	5,73,44,069
Cash on hand	3,76,493	3,58,194
	<u>10,12,26,997</u>	<u>5,77,02,263</u>
<b>Other bank balances</b>		
Deposits with original maturity of less than 3 months*	1,01,07,062	1,00,00,000
Deposits with maturity of more than 3 months but less than 12 months*	29,84,33,405	5,02,28,011
Margin money deposits*	1,29,14,107	1,22,31,155
	<u>32,14,54,574</u>	<u>7,24,59,166</u>
Less : Amounts disclosed as other non-current assets (refer note 15)	1,29,14,107	1,22,31,155
	<u>40,97,67,464</u>	<u>11,79,30,274</u>

\* Held as lien by bank against bank guarantees.

\* Secured to the extent of security deposits received (refer note 6)



## BCH ELECTRIC LIMITED

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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
<b>20 Short-term loans and advances</b> <i>(Unsecured, considered good, unless stated otherwise)</i>		
Security deposits		
Unsecured, considered good	1,54,52,068	1,49,05,102
Unsecured, considered doubtful	23,71,946	23,47,723
	<u>1,78,24,014</u>	<u>1,72,52,825</u>
Less: Provision for doubtful deposits	23,71,946	23,47,723
	<u>1,54,52,068</u>	<u>1,49,05,102</u>
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	1,81,76,878	1,43,10,395
Unsecured, considered doubtful	1,24,17,430	1,12,77,148
	<u>3,05,94,308</u>	<u>2,55,87,543</u>
Less: Provision for doubtful advances	1,24,17,430	1,12,77,148
	<u>1,81,76,878</u>	<u>1,43,10,395</u>
Prepaid expenses	1,04,06,746	1,35,09,078
Balance with indirect tax authorities	27,69,866	29,27,492
Loan to employee	7,31,448	-
	<u><u>4,75,37,006</u></u>	<u><u>4,56,52,067</u></u>
<b>21 Other current assets</b> <i>(Unsecured, considered good)</i>		
Assets held for sale (refer note 40)	21,17,562	24,09,017
Balances with statutory/government authorities	39,48,679	2,33,29,719
Amount receivable on settlement of litigation	-	6,69,03,364
Export incentives receivable	5,76,957	4,29,501
	<u><u>66,43,198</u></u>	<u><u>9,30,71,601</u></u>
<b>22 Contingent liabilities</b>		
(a) Claims against the Group not acknowledged as debts		
i) Excise	2,87,65,419	2,87,65,419
ii) Sales tax	46,18,387	46,18,387
iii) Octroi	20,70,142	20,70,142
iv) Labour cases (refer note i below)	21,53,62,260	19,51,65,117
v) Employee State Insurance (ESI) (refer note ii below)	10,89,448	10,89,448
vi) Others	4,89,26,198	4,84,60,471
<b>Notes:</b>		
(i) The Holding Company has deposited a sum of Rs. 12,500,000 (previous year - Rs. 12,500,000) under protest.		
(ii) The Holding Company has deposited a sum of Rs. 544,744 (previous year - Rs. 544,744) under protest.		
(b) Demand of composition fee by Chief Administrator, payment of which has been stayed by the Punjab and Haryana High Court. Amount is secured by bank guarantee.	48,19,540	48,19,540
(c) Pending income-tax matters (refer note i below)	11,88,10,062	3,37,96,882
<b>Notes:</b>		
(i) The Holding Company has deposited a sum of Rs. 5,500,000 (previous year Rs. 5,500,000) under protest.		
(d) Time limit for fulfilling export obligations in respect of certain licenses issued under the Export Promotion Capital Goods Scheme has expired during the previous year [see note 23(b) below]. However, the Company has applied for extension of time limit in respect of said licenses in the previous years and management is reasonably certain of getting the extension. Accordingly, no adjustments are considered necessary at this stage.		

On the basis of the management's assessment and views of the legal attorneys, management is of the view that probability of outcome of the aforesaid litigations to be unfavourable is very low. As such the amounts have been shown as contingent liabilities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.





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**BCH ELECTRIC LIMITED**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

(e) The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employee eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by various High Courts, the Holding Company has not recognised any differential amount of bonus amounting to Rs. 1,773,426 for the period 1 April 2014 to 31 March 2015 and accordingly has recognised the expense as per the amended provisions only with effect from 1 April 2015 and onwards.

(f) There had been a Supreme Court (SC) judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employee Provident Fund Act. There are interpretative aspects related to the judgement including the effective date of application. The Group will continue to assess any further developments in this matter for their implications on the consolidated financial statements, if any.

**23 Capital and other commitments**

(a) **Capital commitments (net of advances)**  
Estimated value of contracts in capital account remaining to be executed (net of advances) 72,97,879 66,13,355

(b) **Other commitments**  
The Company has imported capital goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified exports in the future years. [refer note 22(d) above] 1,48,03,648 1,48,03,648

**24 Revenue from operations**

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Sale of products</b>		
Manufactured goods (refer note i below)	2,60,77,09,847	2,48,61,05,178
Traded goods (refer note ii below)	31,05,23,908	33,93,90,517
	<u>2,91,82,33,755</u>	<u>2,82,54,95,695</u>
<b>Sale of services</b>	88,58,748	57,69,724
<b>Other operating revenue</b>		
Scrap sales	2,79,98,041	3,44,89,385
Budgetary support subsidy*	-	4,34,72,529
Export incentives	4,03,667	33,95,084
	<u>2,95,54,94,211</u>	<u>2,91,26,22,417</u>

\*Represents the amount of budgetary support provided by the Government of India for the existing eligible manufacturing units operating under different industrial promotion tax exemption schemes, pursuant to the notification no: F. No. 10(1)/2017-DBA-II/NER issued by the Ministry of Commerce and Industry dated 05 October 2017.

(i) <b>Details of manufactured goods sold</b>		
Starters	1,07,64,27,075	87,92,94,649
Industrial control	91,53,10,882	84,45,25,156
Switch board and solutions	32,16,72,784	44,27,17,958
Enclosures	23,74,56,476	26,87,39,518
Automation	2,38,51,507	2,25,61,595
Power factor control	2,21,18,160	2,82,66,302
Bus duct	1,08,72,963	-
	<u>2,60,77,09,847</u>	<u>2,48,61,05,178</u>
(ii) <b>Details of traded goods sold</b>		
Wires and cables	22,14,52,893	25,63,19,038
Electric motors	4,93,01,465	4,63,84,315
Industrial control	2,45,84,108	2,59,53,271
Automation	1,49,47,845	1,02,36,578
Power factor control	2,37,597	4,97,315
	<u>31,05,23,908</u>	<u>33,93,90,517</u>



# BCH ELECTRIC LIMITED

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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

## 25 Other income

Interest income on	76,23,272	26,56,231
- fixed deposits and other deposits	99,59,998	1,66,53,370
- delayed payment charged from customers	1,16,658	-
- Others	22,02,689	42,25,376
Discount on early payments	1,30,87,628	1,07,24,459
Profit on disposal of property, plant and equipment and assets held for sale (net)		
	53,00,514	41,72,600
Liabilities written back to the extent no longer required	48,74,377	-
Gain on foreign currency transactions and translations (net)	44,94,890	66,18,244
Rental income (refer note 39)	-	21,15,025
Bad debts recovered	-	6,69,03,364
Recovery on settlement of litigation (refer note 47)	1,93,968	11,032
Miscellaneous	<u>4,78,53,994</u>	<u>11,40,79,701</u>

## 26 Cost of raw materials and components consumed

Inventories at the beginning of the year*	32,36,10,099	29,32,19,676
Add : Purchases during the year	1,29,72,91,409	1,25,15,21,244
Less : Inventories at the end of the year*	<u>31,88,06,658</u>	<u>32,36,10,099</u>
	<u>1,30,20,94,850</u>	<u>1,22,11,30,821</u>

\* net of provision for non-moving inventory

## 27 Purchases of traded goods

	Year ended 31 March 2021	Year ended 31 March 2020
Automation	1,22,03,787	82,76,015
Electric motors	4,42,49,389	4,17,73,901
Industrial control	3,20,45,919	3,10,08,989
Power factor control	58,95,201	69,42,404
Wires and cables	18,96,22,808	21,47,82,748
	<u>28,40,17,104</u>	<u>30,27,84,057</u>

## 28 Changes in inventories of finished goods, work-in-progress and traded goods

<b>Inventories at the beginning of the year*</b>		
Finished goods	15,18,77,343	12,07,21,792
Work in progress	36,70,033	57,65,986
Traded goods	1,06,23,210	1,62,55,061
	<u>16,61,70,586</u>	<u>14,27,42,839</u>
<b>Less : Inventories at the end of the year*</b>		
Finished goods	15,55,59,448	15,18,77,343
Work-in progress	12,64,426	36,70,033
Traded goods	1,06,48,532	1,06,23,210
	<u>16,74,72,406</u>	<u>16,61,70,586</u>
<b>Change in inventories</b>	<u>(13,01,820)</u>	<u>(2,34,27,747)</u>

\* net of provision for non-moving inventory and lower of cost and net realisable value.



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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

<b>Details of finished goods</b>		
Automation	22,48,904	6,92,245
Enclosures	1,06,83,515	94,80,178
Industrial control	3,68,54,451	5,61,37,297
Starters	5,03,15,217	3,35,64,785
Power factor control	20,81,095	18,20,890
Switch board and solutions	5,30,54,781	4,97,53,404
Miscellaneous	3,21,485	4,28,544
	<u>15,55,59,448</u>	<u>15,18,77,343</u>
<b>Details of work-in-progress</b>		
Assemblies and sub-assemblies	20,945	62,435
Fabricated components	2,21,824	6,61,227
Machined components	33,551	1,00,011
Moulded parts	1,78,837	5,33,088
Press components	1,59,427	4,75,230
Silver based components	4,25,736	12,69,060
Others	2,24,106	5,68,982
	<u>12,64,426</u>	<u>36,70,033</u>
<b>Details of traded goods</b>		
Automation	24,18,871	48,03,442
Electric motors	40,047	32,301
Industrial control	39,87,270	27,94,844
Power factor control	20,68,668	16,60,701
Wires and cables	21,33,676	13,31,922
	<u>1,06,48,532</u>	<u>1,06,23,210</u>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus	40,80,66,847	46,10,70,510
Contribution to provident and other funds (refer note 35)	3,24,26,744	5,43,33,387
Workmen and staff welfare expenses	1,84,83,702	2,42,66,767
	<u>45,89,77,293</u>	<u>53,96,70,664</u>
<b>30 Finance costs</b>		
Interest expense	17,33,018	37,91,069
Interest on delay in payment of income-taxes	39,79,284	5,98,705
Bank charges and processing fees	57,31,243	72,05,136
	<u>1,14,43,545</u>	<u>1,15,94,910</u>
<b>31 Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment (refer note 11A)	5,17,76,837	5,53,74,742
Amortisation on intangible assets (refer note 11B)	24,48,339	25,36,474
	<u>5,42,25,176</u>	<u>5,79,11,216</u>



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

<b>32 Other expenses</b>	8,07,06,921	9,51,68,908
Consumption of stores and spares parts	4,51,80,801	5,11,14,959
Power and fuel		
Repairs and maintenance:	30,15,023	55,02,811
- Buildings	70,25,605	1,08,80,551
- Machinery	68,36,063	78,99,113
- Others	1,35,27,671	2,07,11,417
Job processing charges	1,66,78,803	1,91,06,052
Rent (refer note 39)	30,57,136	17,61,371
Insurance	18,78,190	1,33,76,800
Rates and taxes	1,36,39,864	2,73,58,161
Travelling and conveyance	-	2,43,825
Loss on foreign currency transactions and translations (net)	21,80,993	86,61,860
Marketing and publicity	3,85,88,264	2,88,95,676
Discount and rebates	6,11,040	4,75,369
Bad debts written off	3,65,82,771	73,99,466
Provision for doubtful receivables, advances and deposits	51,90,000	49,82,000
Donations	84,61,251	1,07,09,478
Packing expenses	4,76,29,687	5,51,99,432
Outward freight	24,28,086	23,76,328
Provision for warranty	26,07,494	21,39,588
Provision for obsolete capital work-in-progress	21,88,779	39,28,360
Research and development	1,56,41,189	2,03,52,637
Legal and professional (refer note 41)	18,85,596	22,49,334
Printing and stationery	52,27,211	55,98,404
Communication	1,28,45,115	1,29,00,840
Office security	1,44,36,615	1,30,97,179
Software maintenance	53,89,380	39,19,366
Corporate social responsibility expenses (refer note 44)	15,15,46,953	19,28,33,394
Contractual labour charges	93,64,998	1,13,96,810
Miscellaneous	<u>55,43,51,500</u>	<u>64,02,39,489</u>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>33 In-house capitalisation of tools</b>	3,99,717	8,69,673
Cost of materials consumed	11,80,838	22,49,909
Employee benefits expense	14,16,425	40,19,664
Depreciation and amortisation expenses	2,99,949	10,75,161
Other expenses	<u>32,96,929</u>	<u>82,14,407</u>
<b>34 Earnings per equity share</b>	24,38,16,276	20,16,05,504
a) Net profit attributable to equity shareholders		
b) Computation of weighted average number of shares for:	34,57,711	34,57,711
Basic earnings per share (number)	34,57,711	34,57,711
Diluted earnings per share (number)	10	10
c) Nominal value of shares		
d) Earnings per share	70.51	58.31
Basic earnings per share	70.51	58.31
Diluted earnings per share		

## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

### 35 Defined contribution plans

The Holding Company makes fixed contribution towards Employees' State Insurance (ESI) for qualifying employees. The contribution in ESI at a specified percentage of payroll cost. The Holding Company recognised Rs. 588,684 (previous year - Rs 842,889) for contribution to ESI in the Statement of Profit and Loss.

#### Defined benefits plans

Gratuity, compensated absences and provident fund have been recognised as defined benefit plan in accordance with accounting standard -15 "Employee benefits" as under:-

	Gratuity		Compensated absences		Provident fund	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
<b>(i) Present value of defined benefit obligation</b>						
Balance at the beginning of the year	10,61,03,977	9,46,33,499	6,19,74,085	5,59,19,320	53,18,56,131	45,43,22,064
Current service cost	89,57,273	78,57,535	81,05,132	71,64,621	2,14,12,558	2,42,78,038
Interest cost	64,09,907	64,75,251	38,31,138	38,87,274	3,26,01,136	3,42,53,202
Contribution by plan participants	-	-	-	-	3,48,63,025	4,43,16,609
Actuarial losses/(gains)	(38,64,886)	77,77,084	(82,15,919)	(3,93,633)	79,30,629	70,09,084
Benefits paid	(1,18,98,353)	(1,06,39,392)	(42,25,102)	(46,03,497)	(10,12,02,328)	(3,23,22,866)
<b>Balance at the end of the year</b>	<b>10,57,07,918</b>	<b>10,61,03,977</b>	<b>6,14,69,334</b>	<b>6,19,74,085</b>	<b>52,74,61,151</b>	<b>53,18,56,131</b>
<b>(ii) Fair value of plan assets</b>						
Balance at the beginning of the year	8,80,95,373	8,23,91,160	NA	NA	53,18,56,131	45,43,22,064
Expected return on plan assets	73,39,561	66,90,360	NA	NA	3,26,01,136	3,42,53,202
Actuarial losses/(gains)	(48,69,899)	34,62,840	NA	NA	(79,30,629)	(70,09,084)
Contribution by the Company	1,82,13,760	1,24,47,575	NA	NA	2,14,12,558	2,42,78,038
Contribution by plan participants	-	-	NA	NA	3,48,63,025	4,43,16,609
Benefits paid	(1,09,15,469)	(99,70,882)	NA	NA	(10,12,02,328)	(3,23,22,866)
<b>Balance at the end of the year</b>	<b>10,76,03,124</b>	<b>8,80,95,373</b>	<b>NA</b>	<b>NA</b>	<b>52,74,61,151</b>	<b>53,18,56,131</b>
<b>(iii) Assets and liabilities recognised in the balance sheet</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Present value of defined benefit obligation	10,57,07,918	10,61,03,977	6,14,69,334	6,19,74,085	52,74,61,151	53,18,56,131
Less: Fair value of plan assets	10,76,03,124	8,80,95,373	-	-	52,74,61,151	53,18,56,131
<b>Liability recognised in the balance sheet</b>	<b>*</b>	<b>1,80,08,604</b>	<b>6,14,69,334</b>	<b>6,19,74,085</b>	<b>*</b>	<b>*</b>

\* Fair value of plan assets is more than the present value of defined benefit obligation, therefore no liability has been recognised in Balance Sheet and Statement of Profit and Loss.

(iv) Expense recognised in the Statement of Profit and Loss	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	89,57,273	78,57,535	81,05,132	71,64,621	2,14,12,558	2,42,78,038
Interest cost	64,09,907	64,75,251	38,31,138	38,87,274	3,26,01,136	3,42,53,202
Expected return on plan assets	(73,39,561)	(66,90,360)	-	-	(3,26,01,136)	(3,42,53,202)
Actuarial losses/(gains)	(87,34,785)	1,12,39,924	(82,15,919)	(3,93,633)	-	-
	<b>*</b>	<b>1,88,82,350</b>	<b>37,20,351</b>	<b>1,06,58,262</b>	<b>2,14,12,558</b>	<b>2,42,78,038</b>

\* Since the trust to which contribution is made is irrevocable and no amount contributed to the fund shall be recoverable by the Holding Company, hence, no assets have been recorded.

(v) Current / non-current liability	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current liability	-	-	2,00,13,284	1,48,82,823	-	-
Non-current liability	-	1,80,08,604	4,14,56,050	4,70,91,262	-	-
<b>Total</b>	<b>-</b>	<b>1,80,08,604</b>	<b>6,14,69,334</b>	<b>6,19,74,085</b>	<b>-</b>	<b>-</b>

The current / non-current split is based on the net liability.

#### (vi) Actuarial assumptions

Discount rate	6.40%	6.40%	6.40%	6.40%	6.40%	6.40%
Salary growth rate	5.00%	5.00%	5.00%	5.00%	NA	NA
Attrition rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### (vii) Amounts recognised in current year and previous four years

	As at 31 March 2021	As at 31 March 2020
<b>Gratuity</b>		
Defined benefit obligation	10,57,07,918	10,61,03,977
Experience adjustments in plan assets	48,69,899	(34,62,840)
Experience adjustment on plan liabilities	(38,64,886)	39,97,510
<b>Compensated absences</b>		
Defined benefit obligation	6,14,69,334	6,19,74,085
Experience adjustment on plan liabilities	(82,15,919)	(27,41,069)
<b>Provident fund</b>		
Defined benefit obligation	52,74,61,151	53,18,56,131
Plan assets	52,74,61,151	53,18,56,131

**BCH ELECTRIC LIMITED**
**Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021**
*(All amounts in Rupees, unless otherwise stated)*
**36 Segment reporting:**

The Holding Company's business is organised into one business segment, namely Electrical and Electronic Control devices which as per the notified Accounting Standard - 17 on "Segment Reporting" is considered to be the only reportable business segment.

The business of Holding Company is primarily concentrated in India and India is considered as one geographical segment. Activities outside India is limited only to export sales and the income attributable to such foreign operations is immaterial.

**37 Provisions**

The Group has following significant provisions in the books of accounts as at year end:

Description	Balance as on 1 April 2020	Additions during the year	Utilised/ reversed during the year	Balance as on 31 March 2021
Provision for warranty	60,46,922	24,28,086	28,91,092	55,83,916
Provision for obsolete capital work-in-progress (refer note 11C)	1,17,10,617	26,07,494	-	1,43,18,111
Provision for doubtful receivables	4,66,75,292	3,34,03,548	94,99,459	7,05,79,381
Provision for doubtful advances	1,38,63,120	31,13,814	-	1,69,76,934
Provision for doubtful deposits	34,47,741	65,410	-	35,13,151
Provision for non-moving inventory	3,31,73,522	1,12,34,143	-	4,44,07,665

Description	Balance as on 01 April 2019	Additions during the year	Utilised/ reversed during the year	Balance as on 31 March 2020
Provision for warranty	66,23,263	23,76,328	29,52,669	60,46,922
Provision for obsolete capital work-in-progress (refer note 11C)	95,71,029	21,39,588	-	1,17,10,617
Provision for doubtful receivables	5,38,91,385	26,27,066	98,43,159	4,66,75,292
Provision for doubtful advances	92,32,457	46,30,663	-	1,38,63,120
Provision for doubtful deposits	33,06,004	1,41,737	-	34,47,741
Provision for non-moving inventory	2,81,22,256	50,51,266	-	3,31,73,522



## BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

### 38 Related party disclosures

Related party disclosures, as required by Accounting Standard 18 - 'Related Party Disclosures', notified under the Act are given below:

#### (i) Parties where control exists

Mr. O.P. Bhartia (Chairman and Managing Director)

#### (ii) Key management personnel

Mr. O.P. Bhartia (Chairman and Managing Director)  
 Ms. Rajyashree Bhartia (Whole-Time Director)  
 Mr. Akhilesh Bhartia (Director)  
 Mr. Abhishek Bhartia (Director)  
 Mr. Kishan Bhartia (Whole-Time Director)  
 Mr. Probir Chandra Sen (Independent Director)  
 Mr. Indrajeet Singh (Independent Director)  
 Mr. Shyam Sundar Goenka (Independent Director) (till 10 December 2020)

#### (iii) Entities over which key management personnel exercise significant influence (where transactions have occurred during the year)

Bhartia Vidyut India Private Limited  
 O.P. Bhartia (HUF)

#### (iv) Transactions with related parties during the year

Particulars	Key management personnel		Entities over which key management personnel is exercising significant influence		Total	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
<b>Remuneration paid</b>	<b>3,15,92,428</b>	<b>3,71,67,563</b>	-	-	<b>3,15,92,428</b>	<b>3,71,67,563</b>
Mr. O.P. Bhartia	1,39,74,000	1,64,40,000	-	-	1,39,74,000	1,64,40,000
Mrs. Rajyashree Bhartia	61,33,498	72,15,881	-	-	61,33,498	72,15,881
Mr. Akhilesh Bhartia	82,31,194	96,83,757	-	-	82,31,194	96,83,757
Mr. Kishan Bhartia	32,53,736	38,27,925	-	-	32,53,736	38,27,925
<b>Directors sitting fees paid</b>	<b>1,20,000</b>	<b>1,80,000</b>	-	-	<b>1,20,000</b>	<b>1,80,000</b>
Mr. Abhishek Bhartia	40,000	20,000	-	-	40,000	20,000
Mr. Probir Chandra Sen	40,000	20,000	-	-	40,000	20,000
Mr. Indrajeet Singh	40,000	80,000	-	-	40,000	80,000
Mr. Shyam Sundar Goenka	-	60,000	-	-	-	60,000
<b>Lease rental paid</b>	-	-	<b>20,42,199</b>	<b>26,40,000</b>	<b>20,42,199</b>	<b>26,40,000</b>
Bhartia Vidyut India Private Limited	-	-	9,00,000	12,00,000	9,00,000	12,00,000
O.P. Bhartia (HUF)	-	-	11,42,199	14,40,000	11,42,199	14,40,000

#### (v) Balances with related parties as on 31 March 2021

Particulars	Key management personnel		Entities over which key management personnel is exercising significant influence		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Remuneration payable</b>	<b>9,66,084</b>	<b>10,17,442</b>	-	-	<b>9,66,084</b>	<b>10,17,442</b>
Mr. O.P. Bhartia	3,78,408	5,96,470	-	-	3,78,408	5,96,470
Mrs. Rajyashree Bhartia	-	1,89,656	-	-	-	1,89,656
Mr. Akhilesh Bhartia	3,61,302	1,80,681	-	-	3,61,302	1,80,681
Mr. Kishan Bhartia	2,26,374	50,635	-	-	2,26,374	50,635
<b>Lease rental payable</b>	-	-	-	<b>2,20,000</b>	-	<b>2,20,000</b>
Bhartia Vidyut India Private Limited	-	-	-	1,00,000	-	1,00,000
O.P. Bhartia (HUF)	-	-	-	1,20,000	-	1,20,000



## BCH ELECTRIC LIMITED

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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

### 39 Leases

#### Operating lease commitment - Group as a lessee

The Holding Company has significant leases for its premises. These lease arrangements range for a period between 11 months and 3 years, which are cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. However, there are no contingent rents, subleases or significant restrictions in the lease agreements.

	Year ended 31 March 2021	Year ended 31 March 2020
With respect to all operating leases:		
- Lease payments recognised in the Statement of Profit and Loss during the year	1,66,78,803	1,91,06,052

#### Operating lease - Group as a lessor

The Holding Company has given properties on lease under operating lease agreements which are cancellable leases. These leases are renewable for further period on mutually agreeable terms.

	Year ended 31 March 2021	Year ended 31 March 2020
With respect to all operating leases:		
- Lease rental income recognised in the Statement of Profit and Loss during the year	44,94,890	66,18,244

### 40 Assets held for sale

The Holding Company had closed its GLS Lamps manufacturing unit at Alwar due to continuous recession in the lamps manufacturing industry. As the Company is planning to sell the unit, the related assets are valued at written down value or realisable value whichever is less i.e. of Rs. 1,781,899 (previous year Rs. 1,781,899) and disclosed as 'Assets held for sale'.

The Holding Company has land in Dehradun carried at book value of Rs. 335,663 (Previous year: Rs. 627,118) which is classified as 'Assets held for sale'. The realisable value is higher than the carrying value.

### 41 Payments to auditors\* :

	Year ended 31 March 2021	Year ended 31 March 2020
As auditor:		
Statutory audit	28,70,000	27,35,000
Tax audit	3,00,000	3,00,000
Reimbursement of expenses	70,400	1,20,200
<b>Total</b>	<b>32,40,400</b>	<b>31,55,200</b>

\* excluding applicable taxes

42 The Holding Company has one manufacturing unit which is located in Rudrapur and was 100% exempted from income-tax till 31 March 2015, and further 30% exempted from 1 April 2015 to 31 March 2020 under the provisions of Section 80 IC of the Income-tax Act, 1961. No further exemption is available to the said unit post 31 March 2020.

### 43 Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposures as at the reporting date

	As at 31 March 2021		As at 31 March 2020	
	Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
<b>Trade payables</b>				
In Euro	72,823	62,51,290	22,713	18,87,421
In USD	2,09,410	1,53,30,074	58,835	44,34,405
In CHF	142	11,005	-	-
	<b>2,82,375</b>	<b>2,15,92,369</b>	<b>81,548</b>	<b>63,21,826</b>

Closing rates are as under:

	As at 31 March 2021	As at 31 March 2020
Euro	85.84	83.10
USD	73.21	75.37
CHF	77.55	-





**BCH**

**BCH ELECTRIC LIMITED**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

	As at 31 March 2021		As at 31 March 2020	
	Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
<b>Trade receivables</b>				
In USD	10,233	7,49,131	-	-
	<b>10,233</b>	<b>7,49,131</b>		
<b>Closing rates are as under:</b>			<b>As at</b>	<b>As at</b>
USD			<b>31 March 2021</b>	<b>31 March 2020</b>
			73.21	75.37

**44 Corporate social responsibility**

- a) Gross amount required to be spent by the Holding Company during the year is Rs. 5,389,380 (previous year : Rs. 3,919,366).  
 b) Amount spent during the year on :

	Year ended 31 March 2021		Year ended 31 March 2020	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
i) Construction/ acquisition of any assets	-	-	-	-
ii) For purposes other than (i) above	-	53,89,380	39,19,366	-

Note: The aforesaid provision for Corporate Social Responsibility has been subsequently paid to Bharat Lok Shiksha Parishad (EKAL ABHIYAN) amounting to Rs. 5,00,000 on dated 26 July 2021 and to PM CARES FUND amounting to Rs. 48,89,380 on dated 02 September 2021.

- c) The Holding Company carries provisions amounting to Rs. 5,389,380 for corporate social responsibility expenses for current year.  
 d) The Holding Company does not have any excess amount spent during the year and accordingly, no such carry forward of the excess amount.  
 e) The Holding Company does not have any ongoing projects as at 31 March 2021.
- 45** Capital work-in progress includes Rs. 1,935,818 being the cost of land and construction of house thereon, title of which is not in the name of the Holding Company. The matter is pending at High Court, Delhi.

**46** Due to the outbreak of Coronavirus Disease 2019 (COVID - 19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Holding Company remained suspended from 22 March 2020 till 10 May 2020. The Holding Company in compliance with the necessary instructions/guidelines, resumed its operations from 11 May 2020 in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Holding Company during the year ended 31 March 2021. Further, the recent second wave of COVID - 19 has resulted in partial lockdown/restriction in various states. Management believes that it has taken into account all the possible impacts of known events arising from the COVID - 19 pandemic on the consolidated financial statements including its assessment of the Group's liquidity and going concern, recoverable value of its property, plant and equipment, trade receivables, inventories and investment. However, given the uncertainties in the economic environment, management's impact assessment is subject to estimation uncertainties, and accordingly, the actual results in future may be different from those estimated as at the date of approval of these consolidated financial statements. The Group will continue to monitor any material changes to the future economic conditions and consequential impact on its business/operations.

**47** During the financial year 2018-19, the Hon'ble High Court of Delhi vide order dated 6 February 2019 ordered for release of amount of Rs. 66,903,364 awarded under the Payment of Gratuity Act to the four ex-employees. The said order was challenged by the Holding Company before the Division Bench of the High Court of Delhi and finally the Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide order dated 22 February 2019 directed the parties to maintain status quo in respect of amount released by order dated 6 February 2019 of High Court of Delhi.

However, as per prudent accounting norms basis the conservative method of accounting, the Holding Company had written off the amount in the financial year ended 31 March 2019.

The Hon'ble Supreme Court vide order dated 29 April 2020 allowed the appeal of Holding Company and dismissed the claim petition preferred by the respondent and the matter was decided in favor of the Company.

Based on the aforesaid judgement of the Hon'ble Supreme Court, the Holding Company has written back the amount as income in the previous year and the said amount was recovered in August 2020.



# BCH ELECTRIC LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

48 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III of the Act:

Name of the Company	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net profit/ (loss)
<b>Holding Company</b> BCH Electric Limited	1,53,85,91,616	100.54%	24,82,71,543	101.83%
<b>Subsidiary</b> Jasper Engineers Private Limited	(1,15,59,894)	-0.76%	-44,55,267	-1.83%
Intra group elimination/adjustments	33,32,216	0.22%	-	-
<b>Grand total</b>	<b>1,53,03,63,938</b>	<b>100.00%</b>	<b>24,38,16,276</b>	<b>100.00%</b>

49 The previous year amounts have been re-classified/ re-grouped wherever considered necessary, to conform to current year classification.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration Number :001076N/N500013

For and on behalf of the Board of Directors of  
BCH Electric Limited

Sd/-  
Manish Agrawal  
Partner  
Membership no.: 507000

*O.P. Bhartia*  
O.P. Bhartia  
Chairman and Managing Director  
DIN No. 00740126

*Rajyashree Bhartia*  
Rajyashree Bhartia  
Director  
DIN No. 01057665

*Anand Khandelwal*  
Anand Khandelwal  
Company Secretary and Financial Controller  
PAN No.: ANFPK3690N

Place: Ghaziabad  
Date: 06 September 2021

Place: New Delhi  
Date: 06 September 2021



BCH ELECTRIC LIMITED  
(CIN U31103WB1965PLC026427)  
REGISTERED OFFICE: BLOCK 1E, 216, A.J.C. BOSE ROAD, KOLKATA – 700 017  
Telephone: +91 33 22800880, Website: [www.bchindia.com](http://www.bchindia.com), Email: [info@bchindia.com](mailto:info@bchindia.com)

**FORM OF PROXY**

**56<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September, 2021**

Name \_\_\_\_\_ Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ having Regd. Folio No. \_\_\_\_\_ being a member/s of BCH ELECTRIC LIMITED hereby appoint \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 56<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2021 at Block 1E, 216, A .J.C. Bose Road, Kolkata – 700017 at 12.30 P.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature of Proxy/Authorised Signatory \_\_\_\_\_ Signature of the Member \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note :** The proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting .

BCH ELECTRIC LIMITED  
(CIN U31103WB1965PLC026427)  
REGISTERED OFFICE: BLOCK 1E, 216, A.J.C. BOSE ROAD, KOLKATA – 700 017  
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**56<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September, 2021**

(Please present this slip at the Entrance of the Meeting Hall)

Name \_\_\_\_\_ Folio No. \_\_\_\_\_

I, \_\_\_\_\_, certify that I am a Authorised Signatory/Proxy of the registered Member of the Company.

I hereby record my presence at the 56<sup>th</sup> Annual General Meeting held at Block 1E, 216, A.J.C. Bose Road, Kolkata – 700017 on 30<sup>th</sup> September, 2021 at 12.30 P.M.

To be signed at the time of handing over the slip at the Meeting Hall.

\_\_\_\_\_  
Authorised Signatory's/Proxy's name

\_\_\_\_\_  
Authorised Signatory's /Proxy's Signature