



# 39th ANNUAL REPORT 2020-2021



# PREMIUM TRANSMISSION PRIVATE LIMITED

## Annual Report – 2020-21

**CHAIRMAN**

Mr. Karan Thapar

**DIRECTORS**

Mr. Bidadi Anjani Kumar  
Mr. Raja Venkataraman  
Mr. Firdose Vandrevala  
Ms. Matangi Gowrishankar

**MANAGING DIRECTOR & CEO**

Mr. Neeraj Bisaria

**CFO:** Mr. Kaustubh Roplekar

**COMPANY SECRETARY:** Ms. Nisha Sakaria

**REGISTERED & COPROPRATE OFFICE:**

Premium House, Mumbai Pune Road,  
Chinchwad, Pune 411019

**WORKS:**

Pune (Maharashtra)  
Falta (West Bengal)  
Aurangabad (Maharashtra)

**STATUTORY AUDITORS**

Price Waterhouse Chartered Accountants LLP  
7<sup>th</sup> Floor, Tower A, Wing 1, Business Bay  
Airport Road, Yerwada, Pune - 411006

**INTERNAL AUDITORS**

Ernst & Young, Loop Road, Shastrinagar,  
Yerwada, Pune – 411 006

**BANKERS**

Axis Bank Ltd  
State Bank of India  
ICICI Bank Ltd  
IDFC Bank Ltd  
Yes Bank Ltd  
Citi Bank  
HDFC Bank

**COST AUDITORS**

Kishore Bhatia & Associates  
701/702, D-Wing, 7<sup>th</sup> Floor, Neelkanth  
Business Park, Nathani Road, Vidyavihar-  
West,  
Mumbai – 400086



**PREMIUM**  
Your Addition in Transmission

## NOTICE

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of **Premium Transmission Private Limited** will be held at the registered office of the Company situated at Premium House, Mumbai-Pune Road, Chinchwad, Pune – 411019 on Friday, 25<sup>th</sup> June, 2021 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of the audited financial statement and Reports thereon

To receive, consider and adopt

- a. the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2021, the Reports of Directors and Auditors thereon; and
- b. the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2021.

#### 2. Declaration of Dividend

To declare a final dividend on the equity shares of the Company

The Board of Directors has recommended a final dividend of Rs. 3/- per equity share, i.e. 30%.

**Premium Transmission Private Limited.**  
(Formerly known as Premium Transmission Limited)

**Registered Office:** Premium House, Old Mumbai-Pune Road, Chinchwad, Pune - 411019, India.  
Contact: +91-20-66314155 / [info@premium-transmission.com](mailto:info@premium-transmission.com)

CIN: U01119PN1983PTC133199



## SPECIAL BUSINESS

### 3. To ratify the remuneration of the Cost Auditors

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications(s) or re-enactment thereof), the Company hereby ratifies the remuneration, as recommended by the Audit Committee and approved by the Board of Directors of the Company, of Rs. 3.25 Lakhs plus out of pocket expenses and other taxes payable to M/s Kishore Bhatia & Associates, Cost Accountants, for conduct of audit of the cost records maintained by the Company for the financial year 2021–22.”

#### Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member of the Company.
2. The proxy form duly completed and signed, should be lodged with the Company, at its registered office at least 48 hours before the time of the meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Resolution authorising their representative to attend and vote on their behalf at the meeting.

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4. A route map along with prominent landmark for easy reach to the venue of annual general meeting is annexed with this notice.

By Order of the Board

**For Premium Transmission Pvt. Ltd.**

SD/-

**Nisha Sakaria**

**Memb. No. F6947**

**Company Secretary & General Manager –  
Corporate Communication**

**Date: 15<sup>th</sup> June, 2021**

**Place: Pune**

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## ANNEXURE TO NOTICE

### **Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013**

#### **Resolution No. 3**

As per Notification dated 31<sup>st</sup> December, 2014 issued by the Ministry of Corporate Affairs, the Companies (Cost Records and Audit) Rules, 2014, provisions relating to auditing of cost accounting records are applicable to the Company with effect from 1st April, 2015. Accordingly, the audit of cost accounting records of the Company is mandatory for the financial year 2021–22.

At the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Firm), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2021–22 at a remuneration of Rs. 3.25 Lakhs plus applicable taxes and out of pocket expenses.

Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditor) Rules, 2014, requires the remuneration payable to the Cost Auditors to be ratified by the Members of the Company. Accordingly, the approval of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2021–22.

The Directors recommend the ordinary Resolution for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the Resolution.

By Order of the Board

**For Premium Transmission Pvt. Ltd.**

**SD/-**

**Nisha Sakaria**

**Company Secretary & General Manager – Corporate Functions**

**Date: 15<sup>th</sup> June, 2021**

**Place: Pune**

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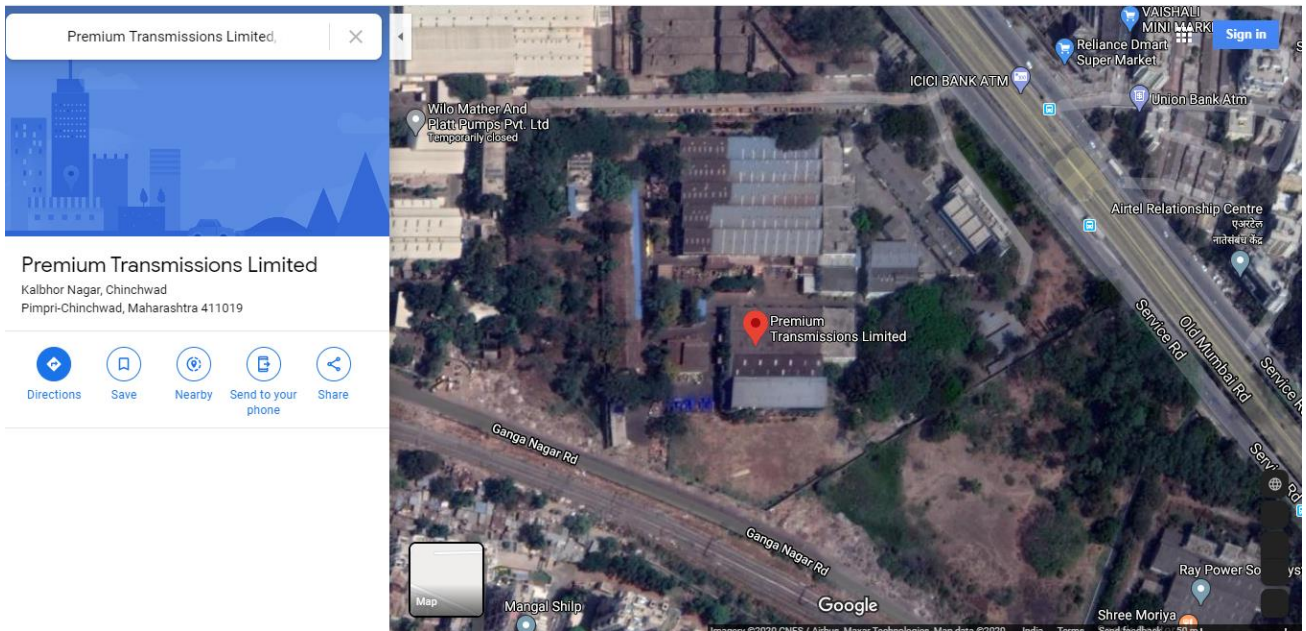
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[premium-transmission.com](http://premium-transmission.com)



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## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

To,  
The Members,  
Premium Transmission Private Limited.

Your Directors have pleasure in presenting the 39<sup>th</sup> Annual Report of the Company and the audited financial statements for the financial year ended 31<sup>st</sup> March, 2021.

### FINANCIAL SUMMARY

The Company's financial performance for the financial year ended 31<sup>st</sup> March 2021 is summarized below:

Sr. No.	Particulars	Year ended March 31, 2021 (Amount in Rs. millions)	Year ended March 31, 2020 (Amount in Rs. millions)
1	Revenue from Operations	3742.30	3856.05
2	Other Income	4.76	19.45
3	<b>Total Revenue (3=1+2)</b>	<b>3747.06</b>	<b>3875.50</b>
4	<b>Profit before Tax</b>	<b>352.28</b>	<b>135.27</b>
5	Tax	93.15	29.53
6	<b>Profit After Tax (6=4-5)</b>	<b>259.13</b>	<b>105.74</b>

### Review of Operations

During the year under review the Company achieved a turnover of Rs. 3742.30 Million as compared to the previous year's turnover of Rs. 3856.05 Million. The Company registered a total revenue of Rs. 3747.06 Million during the year under review as against Rs. 3875.50 Million in the previous financial year. The Profit after Tax was Rs. 259.13 Million during the year under review as against Rs.

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105.74 Million in the previous financial year. It is worth mentioning that this performance has been achieved despite a total lockdown for the first couple of months of the Financial Year and a truncated first quarter of the Financial Year.

Revenue from exports during the year was at Rs. 387.52 Million as compared to Rs. 350.27 Million in the previous year.

## DIVIDEND

During the year, the Company had declared and paid interim dividend @Rs. 3 per equity share amounting to Rs. 675 Lacs in the month of February, 2021.

Your Directors have recommended a final dividend of 30% (PY 5%) i.e. Rs. 3/- per Equity Share amounting to Rs. 675 Lacs.

## RESERVES

The Directors of the Company do not propose to transfer any amount to General Reserve out of the profits of the current year.

## STATE OF THE COMPANY AFFAIRS / CHANGES IN THE NATURE OF BUSINESS, IF ANY

During the unprecedented situation and despite the restriction on traveling, your company had good number of business enquiries from both the domestic & international markets. During the financial year, health, well-being of all employees and minimizing disruption to services for all our customers globally was challenging task, but your company has taken various initiatives to balance the employees' health-safety and keep on fulfilling the customer demand. The manufacturing team has utilized the manufacturing capacity in a planned and efficient way, which led to improved operational efficiencies. The efficient utilization of plant capacity in turn helped the company to achieve manufacturing of high quality of products at lower costs. The high quality of products and timely delivery of products during the difficult time of COVID situation, has shown our commitment and ability to perform during pressure situation, due to which we managed to grab new orders from the customers. During the year, your company has divided the targets into three stages: a) new customer and new products, b) new customer and existing products, and c) existing customer and new products.

During the year, the improvement of cash flow was one of the major focus. Despite the difficulty in

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traveling sales team has managed to collect the advances and invoiced amount from customers in time. Additionally, sales team with support from legal team and other supporting functions of your company also managed to reduce the long pending outstanding during the year. Your company has also taken several measures to mitigate the adverse impact by optimizing costs and continuously realigning the cost-structures, which in addition to the collection has helped to improve the cash flow of the company.

During the financial year, your company has incorporated a wholly owned subsidiary company, with the intention use its engineering experience and capabilities of manufacturing to supply a product as a part of global supply chain in competition with multinational companies.

## COVID-19 Update

During the financial year 2020-21, the world witnessed the unprecedented situation of COVID 19 and accordingly WHO declared a pandemic in March 2020. Considering the severity, the Government of India declared a complete lockdown throughout the country commencing from 25<sup>th</sup> March 2020. This in turn led to a complete shutdown of operations at all our manufacturing locations and related business activities during the first quarter. For the company the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services for all our customers globally.

During the lockdown, your company has complied with all the guidelines issued by local, state and central governments and finally, all the manufacturing plants have been made fully compliant with operating guidelines issued by government to make the workplace comply with adequate health and safety standards. During the said period, the management had faced lots of difficulties but irrespective of the odds, with continuous and systemic efforts from the leadership and local task force team, workplaces, specifically production factories were resumed in a phased manner in keeping with the government protocols, following a strict nationwide lockdown for close to three months. The employees also came together in spirit to walk the extra mile, collaborating with peers to find out new ways of continuing the business momentum. While travel restrictions continued for a large part of the year, the businesses strengthened their customer outreach, and ramped up their operations through digital means. During the complete year with the joint efforts, the challenges were converted into an opportunity. Further, the employees considered this situation as a “New Normal” and continued to perform with the same spirit. This vigor propagated throughout the organization and created a new wave of hope which created a growth mindset.

During the lockdown, your company had:

- a. utilized the whole time to increase the company's product offerings as per future market

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demands and to improve the company's current product range to give better experience and performance to customers.

- b. invested some of its time to get even more closer to the company's customers helping them to overcome their business challenges.
- c. invested a lot of time in restructuring our organization and keeping a constant communication with them to create a cohesive engaged team which keeps performing despite the challenges of work from home and social distancing.

## Quality

Your company is focused on building quality products through its robust processes and advanced systems in all its manufacturing plants. Quality is paramount and has been THE key focus area in Year 2020-21. Your company has instituted a Quality strategy "Don't buy a defect" "Don't make a defect" "Don't ship a defect" which resulted in reduced customer complaints, reduction in COPQ (Cost of Poor Quality), reduction in supplier quality issues, improvement of First pass yield & overall customer satisfaction. Customer satisfaction is our key metrics in defining the success of the business and quality products ensure happy customers.

Quality planning activities have been executed, culture of Advanced Product Quality Planning (APQP) & Production Part Approval Process (PPAP) has been initiated for new product development. Restructuring of Quality organization & processes pointed to positive change which improves Premium's image as a reliable & trustworthy product brand.

The policy for customer satisfaction survey has been formed to collect candid feedback from our customers, channel partners to improve further on our product & service quality.

## Exports

To create a strong presence in the international market and to multiply the international presence, your company is expanding its footprints globally. During the year we have formed new partnerships with various companies from UAE & Oman region, Kingdom of Saudi Arabia & Bahrain region, Egypt Region and Iran region for this purpose. The Company's ambition is to become a leading manufacturer with a global footprint in the coming years.

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## Manufacturing

Manufacturing being a core activity has been under tremendous pressure and amidst a challenging & uncertain environment throughout the last year. However, the team demonstrated tremendous commitment, dedication and well-coordinated teamwork with supply chain and other supporting functions. This enabled your company to restore the situation quickly and return to growth trajectory in a quick time. Manufacturing team bounced back strongly especially in the second half of the year and ended with a stellar performance in the last month, recording the highest ever production figures in the history of the company. This has given a tremendous confidence to both the internal team as well as to our customers. With this background the company is looking forward in the coming year to realize the enhanced opportunities and aims to grow exponentially. There are still challenges from the external environment, particularly the pandemic, but we are better prepared to cope up with the same this year as compared to last year.

Your company is committed to focus further on improvement across all processes, productivity improvement, value engineering and reduction in material cost to maintain a competitive edge in the market. Your company is also looking for building capability in key critical processes to cater to the market demand in an efficient manner.

## Environment, Health and Safety

Your Company accords high importance towards Environment, health and safety of employees and ensures that the work environment is conducive for smooth operations. Towards this, the top management stays highly committed for maintaining high standards of safety, health and environment management by being fully compliant to applicable regulatory/ statutory requirements of the industry.

Employees are the most valuable assets of the Company, Safety and Health of each employee is of utmost importance. During the Pandemic this has garnered more attention and focus and resulted in the conduction of a special awareness program on use of personal protection equipment (PPEs), work permit system etc, Your Company continues to periodically conduct safety mock drills and various training programs to educate and prepare employees for Fire, chemical, electrical and medical urgencies. If such unfortunate emergency arises, the employees of the company are very well aware about their role in dealing with the disaster.

The pandemic created a sense of urgency around the globe and your company being no exception had to adopt new methods quickly in order to thrive and grow in the worsening conditions. During

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the entire unprecedented situation of Covid-19 period, your company has followed all safety norms, measures, rules and regulations prescribed by the concerned government agencies from time to time. The Company aligned its policies and framed guidelines with Government protocols in terms of lockdown and other restrictions to keep its workforce and societies safe. The manufacturing units were operated with limited capacity maintaining all social distancing guidelines. The Company has taken various initiatives, including preparing guidelines, based upon Government safety norms, such as thermal scanning for all employees at the entrance gate, self-declarations forms, random oxygen checking, travel restrictions, sanitization of work place at regular intervals, promoting virtual meetings, guidelines for timely testing to prevent the spread of infection at the Company. Your company has further followed the work from home practices for almost a year now and conducted virtual trainings, discussions and meetings efficiently.

Key activities were on enforcement of guidelines developed, assisting and encouraging the business teams in their efforts to assure safe and healthy working conditions, providing information, education and training on topics of the pandemic, its causes, symptoms, impacts and protective measures, mandatory safety and health standards for all work places, to safeguard employees and those who work for the Company during the difficult times of a pandemic.

### Business Processes

During the year SAP re-implementation team has made good progress to re-implement SAP and the work thereto is still in progress.

### Future Outlook

The outbreak of Covid-19 pandemic still has a moderate to high impact on the businesses of the company. the company had taken several necessary measures to reduce the impact of the COVID related challenges being faced in the business. The aim is to deliver profitable growth despite the said challenges. The government initiative of self-reliance has encouraged local business. The resilient nature of certain industries and segments like pharmaceutical, electronics, power, food & beverages, etc. has created potential growth in future. We have additionally adapted our marketing and sales organization to reflect the changing market dynamics. During the year, the company has taken several initiatives where the focus was to improve the company's current product range.

The second wave of COVID and in turn strict lockdown in some of the major states of India, may impact the demand of products in the near future. However, currently business enquiries from both the domestic & international markets are increasing and with a reasonably healthy orderbook,

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provides the company with optimism about its overall business outlook.

## MATERIAL CHANGES EFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments made, affecting the financial position between the end of the financial year of the Company and on the date of this report.

There is no order passed by any regulator or court or tribunal against the Company, impacting the going concern concept or future operations of the Company.

## SUBSIDIARY

During the year, your company has incorporated a wholly owned subsidiary Company named as "Premium Motion Private Limited" on 28<sup>th</sup> January 2021.

A Report on the financial position of each of the subsidiaries of the Company pursuant to Rule 8 (1) read with Rule 5 of Companies (Accounts) Rules, 2014 in Form AOC-1 is annexed as "Annexure A" and forms part of this Annual Report.

## COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of your Company is duly constituted with adequate mix and composition of Executive, Non-Executive and Independent Directors.

The Board meets at least Six times in a year. Annual calendar for the Board meetings for the financial year is fixed at the beginning of each year. If necessary, the Board meetings were also convened beyond the four meetings.

During the financial year 2020-21, the Directors met Six (6) times on 28<sup>th</sup> April 2020, 19<sup>th</sup> June 2020, 08<sup>th</sup> September 2020, 03<sup>rd</sup> November, 2020, 28<sup>th</sup> December 2020 and 12<sup>th</sup> February, 2021. The gap between any two meetings were not more than 120 (one hundred and twenty) days as prescribed under Secretarial Standards 1.

During the year Mr. Arvind Singhal, an Independent Director who has completed his 2<sup>nd</sup> tenure as independent Director on 14<sup>th</sup> June 2020 and has expressed his desire to step down from the Board of the Company. The Board of your Company places on record its appreciation and gratitude to Mr. Singhal for his support and guidance during his association.

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The composition of the Board as at the end of the financial year is as follows:

1. Mr. Karan Thapar,
2. Mr. Bidadi Anjani Kumar,
3. Ms. Matangi Gowrishankar,
4. Mr. Firdose Vandrevale,
5. Mr. Raja Venkatraman,
6. Mr. Neeraj Bisaria.

#### **A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

In terms of provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors held on 28<sup>th</sup> April, 2020 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 and are not disqualified to act as an Independent Director.

#### **A STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

The Board of Directors has constituted Strategy, Risk Review and Corporate Social Responsibility Committee to oversee the risk management function. The committee was reconstituted in the Board Meeting held on 19<sup>th</sup> June 2020 and comprises of the following Directors:

1. Mr. Raja Venkataraman - Chairman
2. Mr. Firdose Vandrevale- Member

The Board of Directors of the Company has adopted a comprehensive Enterprise Risk Management Framework wherein the risks faced by the Company have been identified, evaluated and assessed. Based on the same, the various risks have been prioritized, procedures are devised and actions taken to mitigate such risks. The progress checks on all the risks are done at the Senior Management level and the summary of the same is placed before the Board.

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During the financial year 2020-21, the Strategy, Risk Review, and CSR Committee met four times i.e. on 18<sup>th</sup> June 2020, 08<sup>th</sup> September 2020, 02<sup>nd</sup> November, 2020 and 11<sup>th</sup> February, 2021.

## **POLICY ON CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a Corporate Social Responsibility (CSR) Policy, as recommended by the Strategy, Risk Review, and CSR Committee covering the objectives, initiatives, outlay, implementation, monitoring, etc.

The Company strives to maximize the organization's positive impact and raise the social responsibility quotient by aligning with the needs of the selected communities.

The CSR Policy is displayed on the Company's website [www.premium-transmission.com](http://www.premium-transmission.com). A report on the CSR activities in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, are enclosed in the prescribed form as Annexure – B to this Directors' Report.

## **COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

Pursuant to section 178 of the Companies Act, 2013, as applicable to the Company, the Company has constituted a "Nomination and Remuneration Committee". The composition of the Nomination & Remuneration Committee was reconstituted in the Board Meeting held on 19<sup>th</sup> June 2020 as under:

1. Mr. Firdose Vandrevale- Chairman
2. Mr. Karan Thapar – Member
3. Ms. Matangi Gowrishankar- Member

During the financial year the Committee met five times i.e., on 28<sup>th</sup> April, 2020, 19<sup>th</sup> June 2020, 07<sup>th</sup> September, 2020, 02<sup>nd</sup> November, 2020 and 12<sup>th</sup> February, 2021.

The Nomination and Remuneration Committee ensures that the Company's remuneration and incentive policies, practices and key performance indicators are aligned with the Board's vision, values and overall business objectives and are appropriately designed to motivate the Executive Directors, Key Management Personnel and the Senior Management to pursue the long term growth and success of the Company.

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The Nomination & Remuneration Committee considering the requirement of the skill sets of the Board, integrity of the persons having standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, recommend their appointment to the Board for approval.

The Committee has a policy in place with respect to the appointment and remuneration of the Directors and Senior Management personnel.

The objectives of this policy are:

- (a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
- (b) encourage people to perform to their highest level;
- (c) allow the Company to compete in each relevant employment market;
- (d) provide consistency in remuneration throughout the Company;
- (e) align the performance of the business with the performance of key individuals and teams within the Company;
- (f) to ensure that the overall payroll cost is commensurate with the Company's turnover and competition norms;
- (g) long term value creation; and
- (h) attract and retain the best professionals.

## AUDIT COMMITTEE

In compliance with the requirement of Section 177, as applicable to the Company, the Board of Directors has constituted Audit Committee. The members of the Audit Committee possess financial/accounting expertise/exposure.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. Audit committee overviews the investigation report on complaints received under Vigil mechanism.

Apart from the matters provided under Section 177(4) of the Companies Act, 2013, the Audit Committee also, review the significant legal cases pending and all material developments are reported to the Board.

The composition of the Audit Committee is as under:

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1. Mr. Bidadi Anjani Kumar – Chairman,
2. Mr. Raja Venkataraman – Member,
3. Mr. Neeraj Bisaria – Member.

Statutory Auditors and the Internal Auditors are permanent invitees at the committee meetings. Chief Financial officer is also a permanent invitee at the committee meetings.

Ms. Nisha Sakaria, Company Secretary & General Manager – Corporate Functions is the Secretary of the Committee.

During the financial year, the Audit Committee met four times i.e., on 18<sup>th</sup> June, 2020, 07<sup>th</sup> September, 2020, 02<sup>nd</sup> November, 2020 and 11<sup>th</sup> February, 2021.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there has not been an instance where the Board dissented or did not accept the recommendation of the Audit Committee.

## **PUBLIC DEPOSITS**

During the year under review, the Company did not accept any deposits within the meaning of the provisions of Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## **VIGIL MECHANISM**

Your Company has a Whistle Blower Policy to provide a mechanism for employees to report genuine concerns through anonymous channels about any unethical behavior within the organization, actual or suspected fraud or violation of your Company's Code of Conduct. The whistle blower policy is enables employees raise concerns freely.

The policy provides below channels to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy.

- a. Hotline No. – a. 000 800 0501 372(India)  
b. 0800 1800672 (Germany)
- b. Website – [www.premiumtransmission.ethicspoint.com](http://www.premiumtransmission.ethicspoint.com)

### **Premium Transmission Private Limited.**

(Formerly known as Premium Transmission Limited)

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CIN: U01119PN1983PTC133199







# PREMIUM

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## STATUTORY AUDITORS AND IT'S REPORT

M/s Price Waterhouse Chartered Accountants, LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) the Statutory Auditors were re-appointed in the Annual General Meeting of the company held on 28<sup>th</sup> September, 2018 for a period of 5 years till the conclusion of the Annual General Meeting to be held in the Calendar year 2023. Reports issued by the Statutory Auditors on the Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 are self-explanatory and need no explanation.

Your Company has adopted Ind AS with effect from April 1, 2019.

## INTERNAL AUDITOR

Pursuant to Section 138 read with rule 13 of the Companies act, 2013 Ernst & Young, Chartered Accountants, Pune were appointed as Internal Auditors of the Company for the period of three years w.e.f. F.Y. 2019-20 to F.Y. 2021-22 to conduct the internal audit at a remuneration as may be agreed between the Internal Auditors and the Audit Committee.

## SECRETARIAL AUDIT REPORT

The Company being a Private Limited Company, the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, are not applicable.

## COST AUDITORS

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board has appointed M/s Kishore Bhatia & Associates, Cost Accountants, Cost Accountants, (Firm Registration Number: 00294) as the Cost Auditors of the Company to conduct an audit of the cost records maintained by the Company for the financial year ending 31<sup>st</sup> March 2022. The remuneration payable to the Cost Auditors is subject to approval of the Members at the Annual General Meeting. Accordingly, the remuneration payable to the Cost Auditors forms a part of the Notice convening the forthcoming 39<sup>th</sup> Annual General Meeting and the Resolution is recommended for your approval.

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## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, an extract of the Annual Return of the Company in the prescribed Form MGT-9 for the year ended 31<sup>st</sup> March, 2021 has been provided as Annexure- D.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(3) (c) and (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. the Company has followed the applicable accounting standards in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2021 and there is no material deviation from the previous year.
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31<sup>st</sup> March, 2021 and of the profit for the year ended 31<sup>st</sup> March, 2021.
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- d. the Directors have prepared the annual accounts of the company on a going concern basis.
- 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- g. the Company has complied with the secretarial standards issued by the Institute of Company Secretaries of India.

## PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS

During the year the under section 186 of the Companies Act, 2013 the Company has not made any Loans or given guarantees during the financial year ended 31<sup>st</sup> March 2021. However, in compliance with Section 186 of the Companies Act, 2013, your company invested Rs. 1,99,99,000 in a wholly

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owned subsidiary company incorporated on 28<sup>th</sup> January 2021.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The details of the related party transactions (RPT), as per requirement of Accounting Standards-18 are disclosed in notes to the financial statements of the Company for the financial year 2020-21.

RPTs that were entered into during the financial year were in the Ordinary Course of Business and at Arm's Length. All the directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as & when any changes in their interest take place, such changes are placed before the Board at its meetings.

None of the transactions with any of the related parties was in conflict with the interest of the Company. A statement in the prescribed Form AOC-2 is annexed to this report as Annexure – C.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO**

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows :

#### **(A) Conservation of energy**

(i) Steps taken or impact on conservation of energy are as under

- a. Installation of 80W LED High Bay lamps in place of 150W conventional lamp for reduction in KWH.
- b. Installation of VFD for main motor of VTL machine for reduction in KWH.
- c. Installation of 24W LED lights in place of 40W conventional lamps at office area for reduction in KWH.
- d. Removed out the hot outlet air from oil chillers of CNC thread grinding machine with insulated ducting to improve cooling effect of centralized air conditioner of CNC section. This will save the KWH of Air conditioner.
- e. Initiatives taken by maintenance dept. to switch ON & OFF compressors as on required basis only to reduce KWH consumption resulting reduction in KWH consumption.
- f. Incorporate of 50 watt LED instead of different type 250 watt Metal Halide or Sodium

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# PREMIUM

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- vapor lamp in our factory out side area.
- g. Installation of energy efficient pumps in place of conventional pumps.

## (ii) Steps taken by the company for utilizing alternate sources of energy

- a. Re-use of treated water from ETP & STP for gardening.
- b. Use of Solar Panels for street Lights.
- c. Installation of turbo ventilators in place of old conventional exhaust fans.

## (ii) Technology absorption

The company has not imported any technology in the last three years. Hence the particulars with respect to efforts made towards technology absorption and benefits derived etc. are not applicable to the company.

## (B) Research & Development Activities

Financial year 2020-21 was a year of accomplishments for the company in terms of new product development. In the year 2020-21 the NPD center at Kolkata has undertaken the development of new products with a view to address the competition as well as augment the product portfolio.

Your company has developed many new products from the Kolkata development center in coordination with Pune cross-functional teams. To ensure the flawless and reliable product development, your company has adopted best global practices for new product development. The new product development has followed the stage-gate process to ensure the targets are met in terms of technical specification, product cost at various stages of the development cycle and production has been done successfully in the manufacturing facilities.

During this year, your company has focused on developing industry and application-specific solutions in line with competition specific to the industries. With the development of cooling tower gearbox for air cooled condenser application, your company is now ready to provide the total solution to thermal power plants for high efficiency fan cooling suitable for high temperatures. The cooling tower gear units are compact in design with a high power to weight ratio equipped with heat barrier for gearbox protection along with pump lubrication and roller holdback arrangement for unidirectional rotation.

In order to test the cooling tower gear units, a new load testing rig has been set up with unique

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# PREMIUM

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advantages like mechanical and thermal load testing facilities, hydraulic load application principle and data acquisition system for data analysis of the load tests.

In presence of tough competition in industrial gearbox market and to address the issue of power to weight ratio and product cost, your company has developed strategy to systematically develop a new mechanically and thermally optimized smart series platform of gearboxes focusing on moderate and uniform duty application and migrate industry and application solutions to these newly developed platforms.

The outcome of this has been the “Smart Modular Helical series” which has been conceived to eventually replace the older helical H-series gearboxes. The new series is modular in design in order to reduce variety and inventory, compact in design, with higher mechanical and thermal ratings, high power to weight ratios, with low noise and vibration levels, and suitable for heavy duty applications. The new series will cater to power plants and industries making conveyors, paper and pulp, sugar, and cement.

Focusing on a solution-oriented approach, your company has extended the Smart Modular series specifically to Single Screw Extruder application. The new extruder units feature compact design, high mechanical rating with high power to weight ratio, integral thrust bearing housing, and high axial thrust load capacity.

Your company has further enhanced its product portfolio through the introduction of a variable speed fluid coupling in line with the Voith PTKL fluid coupling. The new coupling is electrically operated through a solenoid valve and speed-controlled. It is developed especially for tough and heavy duty applications, features a smoothly controlled acceleration process and ensures even load distribution with multi-motor drives. The design is extremely robust and compact and is optimized for heavy duty application and also facilitates easy maintenance of the complete drive line.

Expenditure incurred on the research and development:(Rs. In Million)

Year	Capital Expenditure	Revenue Expenditure	Total Expenditure	Expenditure as a % of total turnover
2020-21	2.091	43.664	45.755	1.22%
2019-20	0.364	40.580	40.944	1.06%

## (D) Foreign Exchange earnings and outgo

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The Company has recorded earnings in foreign currency of Rs. 305.462 Million (PY Rs. 2,55.378 Million) and expenditure in foreign currency is equivalent to Rs. 4.78 Million (PY Rs. 2.86 Million) during the year.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review a separate awareness training session was arranged for employees of the Company.

The Company has not received any complaint of sexual harassment during the year 2020-21.

## **HUMAN RESOURCES**

Year 2020-21 was a learning year for everyone, and People were at the core of these learnings. The global pandemic necessitated scaled up efforts by the human resource function to ensure employee safety and well-being. The function also played a pivotal role in resuming operations at several locations post the nation-wide lockdown got lifted. To adapt in these changing times, your Company also supported its employees with new ways of working to ensure business continuity and agility to make more balanced decision in sync with our work-life responsibilities.

Communication of top management and HR team with employees on regular basis along with creating forums for formal and informal communication has been a focus area. These communication forums have been created so that the leadership can communicate their vision and actions and use it to inspire the employees of the organization. Leadership communication and daily interaction by the senior managers at different levels have resulted in improved coordination between functions, leading to improved performance at every level across the organization.

During the year, the company consistently set a clear path to learn and adapt to perform better in the everchanging market situation. The HR strategy supported this with its focus on enhanced performance orientation, a comprehensive talent strategy to hire, engage and develop talent and enabling a culture that fostered collaboration, risk taking and above all a culture that is value based.

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The thrust on vision, mission and value framework is the guiding principle for the people of the company. Your Company has been an equal opportunity employer which enables employees to develop their own capabilities in their own chosen professional field.

## INDUSTRIAL RELATIONS

During the year under review, industrial relations in the Company continued to be cordial and peaceful across all our manufacturing units by running various engagement activities with employees.

## ACKNOWLEDGEMENT

The Directors wish to convey their gratitude to the Financial Institutions, Bankers, Customers, Suppliers Central and State Governments and other Government authorities and Collaborators for the assistance and confidence reposed by them in the Company.

The Board of Directors thanks the shareholders for their continued support and they would like to place on record their appreciation for the dedicated services rendered by the Employees at all levels.

**For and on behalf of the Board of Directors**

**Karan Thapar**  
**Chairman**  
DIN: 00004264

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**ANNEXURE - A****Form AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures****Part A**

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

1. Number of Subsidiary	1
2. Name of the subsidiary	Premium Stephan B.V.
3. The date since when subsidiary was acquired	7 <sup>th</sup> June, 2011
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting Currency - Euro Exchange Rate - 1 EUR For P&L items: Average Rate: 86.7409 For Balance sheet item: Closing Rate: 85.962
6. Share capital	21,49,050
7. Reserves and surplus	(12,87,64,580.71)
8. Total assets	39,10,01,528
9. Total Liabilities	51,76,17,060
10. Investments	Nil
11. Turnover	44,31,41,575
12. Profit/(Loss) before taxation	(6,94,67,822)
13. Provision for taxation	Nil
14. Profit after taxation	(6,94,67,822)
15. Proposed Dividend	Nil
16. Extent of shareholding (in percentage)	100%

## CSR REPORT FOR F.Y. 2020-21

## 1. Brief outline on CSR Policy of the Company.

The Committee has approved a Corporate Social Responsibility policy and the major guiding principle to attain the CSR objectives in a professional and integrated manner, are as under:

- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling Infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.

The CSR projects are headed by the Managing Director of the Company and the progress in implementation of the projects are presented before the CSR Committee and the Board from time to time.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Raja Venkataraman	Chairman	4	4
2.	Mr. Firdose Vandrevala	Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR Policy is displayed on the Company's website [www.premium-transmission.com](http://www.premium-transmission.com).

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	NA	NA	NA

6. Average net profit of the company as per section 135(5) : **Rs. 26,75,11,423 /-**

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 53,50,228/-**

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years : **NA**

(c) Amount required to be set off for the financial year,: **NA**

Total CSR obligation for the financial year (7a+7b-7c) : **Rs. 53,50,228/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
34,43,319/-	41,07,236/-	30-April-2021	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation-Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Skill Development Program for Women empowerment	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune & Aurangabad	2 years	95,75,000	NA	32,54,236	Yes	Symbiosis Open Education Society through Symbiosis Skills and Professional University	
2.	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune	1 year	24,89,381	16,36,381	8,53,000	Yes	Maha Cluster Council Institute Pune	
<b>TOTAL</b>							<b>1,20,64,381</b>	<b>16,36,381</b>	<b>41,07,236</b>			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune	Mentioned in 8(b)	Yes	Maha Cluster Council Institute, Pune	
2.	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Aurangabad	5,80,442	Yes	Indo German Tool Room, Aurangabad	
3.	Skill development Program	Item No. (ii) of Schedule VII	Yes	West Bengal	Kolkata	10,62,528	Yes	Central Tool Room, Kolkata.	
	<b>TOTAL</b>					<b>16,42,970</b>			

(d) Amount spent in Administrative Overheads: **Rs. 1,63,968/-**

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = **Rs. 34,43,319/-**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	53,50,228/-
(ii)	Total amount spent for the Financial Year	34,43,319/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(19,07,681)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.				NA			



(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
NA	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **NA (asset-wise details).**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : The Company could not spend the full prescribed CSR amount towards CSR activities during the year under review. Due to unprecedented situation of COVID-19, the project undertaken under skill development could not be completed within the time frame.

**For Premium Transmission Private Limited**

SD/-

**Neeraj Bisaria**  
**Managing Director and CEO**

SD/-

**Raja Venkatraman**  
**Chairman CSR Committee**

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 arm's length transaction under third proviso thereto.

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

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

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

a.	Name (s) of the related party & nature of relationship: <b>Greaves Cotton Limited</b>
b.	Nature of contracts/arrangements/transaction: <b>Service Charges</b>
c.	Duration of the contracts/arrangements/transaction: <b>1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.</b>
d.	Salient terms of the contracts or arrangements or transaction including the value, if any: <b>The above transaction is in the ordinary course of business and is at an arm's length basis.</b>
e.	Date of approval by the Board: <b>19<sup>th</sup> June, 2020, 8<sup>th</sup> September, 2020, 3<sup>rd</sup> November, 2020, 12<sup>th</sup> February, 2021, And 5<sup>th</sup> May, 2021.</b>
f.	Amount paid as advances, if any: <b>Nil</b>

- a) Name (s) of the related party & nature of relationship:  
**EICL Limited**
- b) Nature of contracts/arrangements/transaction:  
**Service Charges**
- c) Duration of the contracts/arrangements/transaction:  
**1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021**
- d) Salient terms of the contracts or arrangements or transaction including the value, if any:  
**The above transaction is in the ordinary course of business and is at an arm's length basis.**
- e) Date of approval by the Board:  
**19<sup>th</sup> June, 2020, 8<sup>th</sup> September, 2020, 3<sup>rd</sup> November, 2020, 12<sup>th</sup> February, 2021, And 5<sup>th</sup> May, 2021.**
- f) Amount paid as advances, if any:  
**Nil**

- a) Name (s) of the related party & nature of relationship:  
**DBH Consulting Limited**
- b) Nature of contracts/arrangements/transaction:  
**Consultancy Charges**
- c) Duration of the contracts/arrangements/transaction:  
**1<sup>st</sup> October, 2020 to 31<sup>st</sup> March, 2021**
- d) Salient terms of the contracts or arrangements or transaction including the value, if any:  
**The above transaction is in the ordinary course of business and is at an arm's length basis.**
- e) Date of approval by the Board:  
**12<sup>th</sup> February, 2021 & 5<sup>th</sup> May, 2021**
- f) Amount paid as advances, if any:  
**Nil**

**For and on behalf of the Board of Directors**

**Karan Thapar**  
**Chairman**  
**DIN: 00004264**

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U01119PN1983PTC133199
ii.	Registration Date	26 <sup>th</sup> April, 1983
iii.	Name of the Company	Premium Transmission Private Limited (Formerly known as Premium Transmission Ltd)
iv.	Category/Sub-Category of the Company	Private Limited
v.	Address of the Registered office and contact details	Premium House, Mumbai Pune Road, Chinchwad, Pune Phone: 020 66314100. Fax:(91-20)27450287 <a href="http://www.premium-transmission.com">www.premium-transmission.com</a> Email: <a href="mailto:info@premium-transmission.com">info@premium-transmission.com</a>
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	No

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Worm/Altra Gear	84834000	16.82%
2	Helical Gear	84834000	39.22%
3	Geared Motor	84834000	13.39%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
1	Karun Carpets Private Limited Flat No. J-3/602, The Views, Mohali Hills, Sector-105, Sas Nagar, Mohali-140306 ( Punjab)	U65100PB1985PTC049210	Holding	70.56	2(46)



<b>Shareholding of Promoter</b> <b>(A) = (A)(1)+(A)(2)</b>									
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
<b>(a) Mutual Funds</b>	-	-	-	-	-	-	-	-	-
<b>b) Banks / FI</b>	-	-	-	-	-	-	-	-	-
<b>c) Central Govt</b>	-	-	-	-	-	-	-	-	-
<b>d) State Govt(s)</b>	-	-	-	-	-	-	-	-	-
<b>e) Venture Capital Funds</b>	-	-	-	-	-	-	-	-	-
<b>f) Insurance Companies</b>	-	-	-	-	-	-	-	-	-
<b>g) FIs</b>	-	-	-	-	-	-	-	-	-
<b>h) Foreign Venture Capital Funds</b>	-	-	-	-	-	-	-	-	-
<b>i) Others</b>									
<b>(specify) Sub-total(B)(1):-</b>									
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
<b>(i) Indian</b>	-	-	-	-	-	-	-	-	-
<b>(ii) Overseas</b>	-	1,00,00,000	1,00,00,000	44.44	-	66,25,000	66,25,000	29.44	15%
<b>b) Individuals</b>	-	Nil	Nil	Nil		Nil	Nil	Nil	
<b>(i) Individual Shareholders Holding nominal share capital upto Rs. 1lakh</b>									
<b>(ii) Individual Shareholders Holding nominal share capital in excess of Rs 1 Lakh</b>									
<b>c) Others (Specify)</b>	-	-	-	-	-	-	-	-	
<b>Sub-total(B)(2)</b>	-	1,00,00,000	1,00,00,000	44.44	-	66,25,000	66,25,000	29.44	15%



<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	1,00,00,000	1,00,00,000	44.44	-	66,25,000	66,25,000	29.44	15%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	2,25,00,000	2,25,00,000	100		2,25,00,000	2,25,00,000	100	

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In Shareholding During the year
		No. of Shares	% of total Shares of The company	%of Share S Pledge d / Encumbered	No. of Shares	% of Total Shares of The company	%of Shares Pledged / Encumbered to total Shares	
1.	Karun Carpets Pvt Ltd*	1,24,99,995	55.56	-	1,58,74,995	70.56	-	15%
2.	Karan Thapar	5	.00002	-	5	.0002	-	0
	<b>Total</b>	1,25,00,000	55.56	-	1,58,75,000	70.56	-	15%

\*A scheme of Amalgamation ('Scheme') was filed by Karun Carpets Private Limited ('KCPL') (one of the promoters owned group company) before the National Company Law Tribunal ('NCLT'), Chandigarh for amalgamation of DBH International Private Limited ('DBH') and two other companies into KCPL. The Scheme was approved by the NCLT vide order dated 4<sup>th</sup> December 2020 which has been filed with the Registrar of Companies on 23<sup>rd</sup> December 2020 (which is also the effective date of the scheme). Post the scheme becoming effective KCPL is now the holding company.

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

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,24,99,995	55.55	1,24,99,995	55.55
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	28.12.2020 Transfer of Equity Shares from DBH Mauritius Ltd to Karun Carpets Pvt. Ltd. 33,75,000	15	33,75,000	15
	At the End of the year	1,58,74,995	70.56	1,58,74,995	70.56

**iv. Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	Date	Reason	Increase / Decrease of No. of Shares	No. of Shares	% of total shares of the
1	DBH Mauritius Limited	1,00,00,000	Nil	28.12.2020	Transfer of Shares	33,75,000	66,25,000	29.44%

**v. Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	5	.00002	5	.00002
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	5	.00002	5	.00002

**V. IDEBTEDNESS**

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

	Secured Loans excluding deposits (Rs. Million)	Unsecured Loans (Rs. Million)	Deposits (Rs. Million)	Total Indebtedness (Rs. Million)
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	627.91	Nil	NIL	627.91
<b>ii) Interest due but not paid</b>	1.11	Nil	NIL	1.11
<b>iii) Interest accrued but not due</b>	Nil	Nil	NIL	Nil

<b>Total (i+ii+iii)</b>	629.02	Nil	NIL	629.02
<b>Change in Indebtedness during the financial year</b>				
<b>Addition</b>	Nil	Nil	Nil	Nil
<b>Reduction</b>	364.97	Nil		364.97
<b>Net Change</b>	364.97	Nil	Nil	364.97
<b>Indebtedness at the end</b>				
<b>i) Principal Amount</b>	263.21	Nil	Nil	263.21
<b>ii) Interest due but not paid</b>	0.84	Nil	Nil	0.84
<b>iii) Interest accrued but not due</b>	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>264.05</b>	<b>Nil</b>	<b>Nil</b>	<b>264.05</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs. in Million)
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Mr. Neeraj Bisaria	13.13       Nil
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission -as % of profit -Others, specify...		Nil
5.	Others, please specify		Nil
6.	Total(A)		13.13
	Ceiling as per the Act		

**B. Remuneration to other directors:**

Sr. No.	Name of Director	Sitting fees (Rs. In Lacs)	Commission (In Rs. Lacs)	Total compensation (In Rs. Lacs)
1	Mr. Karan Thapar	3.00	5.47	8.47
2	Mr. Arvind Singhal****	0.90	1.34	2.24
3	Mr. Anjani Kumar	3.00	1.12	4.12
4	Ms. Matangi Gowrishankar	2.80	1.00	3.80
5	Mr. Firdose Vandrevala*	3.40	0.67	4.07
6	Mr. Raja Venkataraman**	3.20	0.45	3.65
7	Mr. Vijay Sharma***	-	0.67	0.67
8	Mr. Nagesh Basavanhalli****	-	0.45	0.45
<b>TOTAL</b>		<b>16.30</b>	<b>11.17</b>	<b>27.47</b>

\* Appointed on 9<sup>th</sup> August, 2019

\*\* Appointed on 6<sup>th</sup> November, 2019

\*\*\* Resigned w.e.f. 6<sup>th</sup> November, 2019

\*\*\*\* Resigned w.e.f. 14<sup>th</sup> June, 2020.

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD (Amount Rs.in Lacs)**

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	N.A.	N.A.	N.A.
2.	Stock Option	Nil	N.A.	N.A.	N.A.
3.	Sweat Equity	Nil	N.A.	N.A.	N.A.
4.	Commission - as % of profit - others, specify...	Nil	N.A.	N.A.	N.A.
5.	Others, please specify	Nil	N.A.	N.A.	N.A.
6.	Total				

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

## **Independent auditor's report**

### **To the Members of Premium Transmission Private Limited**

### **Report on the audit of the standalone financial statements**

#### **Opinion**

1. We have audited the accompanying standalone financial statements of Premium Transmission Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### **Basis for opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and 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.

#### **Emphasis of Matter**

4. We draw your attention to Note 47 to the standalone financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no significant adjustments are required in the standalone financial statements based on the current assessment. However, in the opinion of the management, given the highly uncertain economic environment, a definitive assessment of impact of COVID-19 on the financial position and performance of the Company is dependent on the circumstances as they evolve. Our opinion is not modified in respect of this matter.

#### **Other Information**

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



## INDEPENDENT AUDITOR'S REPORT

To the Members of Premium Transmission Private Limited  
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Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the standalone financial statements**

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Premium Transmission Private Limited  
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- 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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. The financial information of the Company for the year ended March 31, 2020 and the transition date opening balance sheet as at April 1, 2019 included in these standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated June 19, 2020 and May 8, 2019 respectively. The adjustments to those standalone financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

### **Report on other legal and regulatory requirements**

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Premium Transmission Private Limited  
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- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;
    - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. There are no long term derivative contracts.
    - 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 March 31, 2021.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Place: Pune  
Date: May 05, 2021

Vivian Pillai  
Partner  
Membership Number: 127791  
UDIN: 21127791AAAABQ5446

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements for the year ended March 31, 2021

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### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to standalone financial statements of Premium Transmission Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 system with reference to financial statements.

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements for the year ended March 31, 2021

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### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Also refer paragraph 4 of the main standalone audit report).

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Place: Pune  
Date: May 05, 2021

Vivian Pillai  
Partner  
Membership Number: 127791  
UDIN: 21127791AAAABQ5446

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 4(a) on fixed assets to the standalone financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has granted unsecured loan (Inter Corporate Deposit), to one Company covered in the register maintained under Section 189 of the Act.
  - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
  - (b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
  - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements for the year ended March 31, 2021

Page 2 of 3

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of labour welfare fund and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

Further, for the period April 1, 2020 to April 30, 2020, the company has paid Goods and Service Tax and filed GSTR3B (after the due date but) within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification No. 31/2020- Central Tax, dated April 3, 2020 on fulfilment of conditions specified therein.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of excise duty and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax, 2003	Tax and interest	431,612*	2012-13	West Bengal Commercial Tax Appellate & Revisional Board
The Central Sales Tax Act, 1956	Tax and interest	1,451,062*	2012-13	West Bengal Commercial Tax Appellate & Revisional Board
Maharashtra Value Added Tax Act, 2002	Tax and interest	20,529,155	2012-13	Joint Commissioner of Sales Tax
The Central Sales Tax Act, 1956	Tax and interest	186,608	2017-18	West Bengal Commercial Tax Officer
The Central Sales Tax Act, 1956	Tax and interest	34,249,100*	2015-16	Maharashtra Deputy Commissioner of State Tax
The Central Sales Tax Act, 1956	Tax and interest	20,824,175	2016-17	Maharashtra Deputy Commissioner of State Tax
The Finance Act, 1994	Tax and penalty	1,139,287	2014-15	The Assistant Commissioner of Sales Tax
The Finance Act, 1994	Tax and penalty	1,087,024	2010-11	Additional Commissioner – III (Appeal)
The Central Excise Act, 1944	Tax and penalty	31,812,605*	2000-01 and 2013-14	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Income Tax Act, 1961	Tax, interest and penalty	2,978,804*	AY 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax, interest and penalty	11,235,471*	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax, interest and penalty	21,609,474	AY 2017-18	Commissioner of Income Tax

\*These amounts are net of amounts paid under protest of Rs. 8,288,596

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements for the year ended March 31, 2021

Page 3 of 3

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 14 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Vivian Pillai  
Partner  
Membership Number: 127791

UDIN: 21127791AAAABQ5446  
Place: Pune  
Date: May 5, 2021

**Premium Transmission Private Limited**  
**Standalone Balance Sheet**  
(All amounts are in Rupees millions, unless stated otherwise)

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	4 (a)	1,094.59	1,178.91	1,217.59
Right-of-use assets	4 (b)	84.92	95.95	86.98
Capital work-in-progress	4 (a)	16.94	19.14	1.31
Intangible assets	4 (c)	81.69	106.64	129.89
Investments in subsidiaries	5	232.45	164.59	164.59
Financial assets				
(a) Loans	6	19.65	23.04	20.47
Income tax assets (net)	7	64.28	62.45	44.40
Other non-current assets	8	96.14	114.96	133.40
<b>Total non-current assets</b>		<b>1,690.66</b>	<b>1,765.68</b>	<b>1,798.63</b>
<b>Current assets</b>				
Inventories	9	688.00	679.88	622.23
Financial assets				
(a) Trade receivables	10	1,135.97	980.06	1,119.08
(b) Cash and cash equivalents	11	244.30	214.84	70.65
(c) Loans	12	11.74	-	-
(d) Other financial assets	13	0.82	6.62	1.72
Other current assets	14	39.69	67.64	43.18
<b>Total current assets</b>		<b>2,120.52</b>	<b>1,949.04</b>	<b>1,856.86</b>
<b>Total Assets</b>		<b>3,811.18</b>	<b>3,714.72</b>	<b>3,655.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	225.00	225.00	225.00
<b>Other equity</b>				
Reserves and surplus	16	2,061.35	1,883.96	1,887.73
<b>Total equity</b>		<b>2,286.35</b>	<b>2,108.96</b>	<b>2,112.73</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
(a) Borrowings	17	112.08	220.82	58.01
(b) Lease liabilities	4 (b)	28.99	38.19	30.97
(c) Other financial liabilities	18	44.23	11.11	10.01
Provisions	19	6.81	8.55	10.08
Employee benefit obligations	20	26.65	30.02	29.86
Deferred tax liabilities (net)	21	3.34	14.64	35.06
<b>Total non-current liabilities</b>		<b>222.10</b>	<b>323.33</b>	<b>173.99</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(a) Borrowings	22	209.69	405.98	398.41
(b) Lease liabilities	4 (b)	9.20	9.05	4.76
(c) Trade payables	23			
- Total outstanding dues of micro enterprises and small enterprises		220.11	178.44	137.07
- Total outstanding dues of creditors other than micro enterprises and small enterprises		464.10	421.86	485.27
(d) Other financial liabilities	24	209.92	166.18	217.19
Provisions	25	13.62	17.11	20.18
Employee benefit obligations	26	24.67	24.93	22.38
Current tax liabilities	7	6.47	-	-
Other current liabilities	27	144.95	58.88	83.51
<b>Total current liabilities</b>		<b>1,302.73</b>	<b>1,282.43</b>	<b>1,368.77</b>
<b>Total Liabilities</b>		<b>1,524.83</b>	<b>1,605.76</b>	<b>1,542.76</b>
<b>Total equity and liabilities</b>		<b>3,811.18</b>	<b>3,714.72</b>	<b>3,655.49</b>

The above standalone balance sheet should be read in conjunction with the accompanying notes.  
This is the standalone balance sheet referred in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of Premium  
Transmission Private Limited

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited**  
**Standalone Statement of Profit and Loss**  
(All amounts in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	28	3,742.30	3,856.05
Other income	29	4.76	19.45
<b>Total income</b>		<b>3,747.06</b>	<b>3,875.50</b>
<b>Expenses</b>			
Cost of materials consumed	30	1,902.09	2,125.63
Changes in inventories of work-in-progress and finished goods	31	16.65	(47.45)
Employee benefits expense	32	506.98	550.68
Depreciation and amortisation expense	33	185.25	189.02
Other expenses	34	725.92	849.06
Finance costs	35	57.89	73.29
<b>Total expenses</b>		<b>3,394.78</b>	<b>3,740.23</b>
<b>Profit before tax</b>		<b>352.28</b>	<b>135.27</b>
<b>Income tax expense</b>	<b>36</b>		
- Current tax		103.44	49.53
- Deferred tax		(10.29)	(20.00)
<b>Total tax expense</b>		<b>93.15</b>	<b>29.53</b>
<b>Profit for the year</b>		<b>259.13</b>	<b>105.74</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post employment benefit obligations		(4.00)	(1.43)
Income-tax relating to the above		1.01	0.42
<b>Other comprehensive income for the year, net of tax</b>		<b>(2.99)</b>	<b>(1.01)</b>
<b>Total comprehensive income for the year</b>		<b>256.14</b>	<b>104.73</b>
Earnings per equity share:			
Basic and Diluted	45	<b>11.52</b>	<b>4.70</b>

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.  
This is the standalone statement of profit and loss referred in our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium  
Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited**  
**Standalone Statement of changes in equity as at March 31, 2021**  
(All amounts are in Rupees millions, unless stated otherwise)

**A. Equity share capital**

	Notes	Amount
<b>As at 1 April 2019</b>	<b>15</b>	<b>225.00</b>
Changes in equity share capital		-
<b>As at 31 March 2020</b>	<b>15</b>	<b>225.00</b>
Changes in equity share capital		-
<b>As at 31 March 2021</b>	<b>15</b>	<b>225.00</b>

**B. Other equity**

	Notes	Reserves and Surplus			Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	
<b>Balance as at 1 April 2019</b>	<b>16</b>	<b>818.78</b>	<b>695.38</b>	<b>373.57</b>	<b>1,887.73</b>
Profit for the year		105.74	-	-	105.74
Other comprehensive income		(1.01)	-	-	(1.01)
<b>Total Comprehensive Income for the year</b>		<b>104.73</b>	<b>-</b>	<b>-</b>	<b>104.73</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends paid	40	(90.00)	-	-	(90.00)
Dividend distribution tax	40	(18.50)	-	-	(18.50)
<b>As at 31 March 2020</b>		<b>815.01</b>	<b>695.38</b>	<b>373.57</b>	<b>1,883.96</b>

	Notes	Reserves and Surplus			Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	
<b>Balance as at April 1, 2020</b>	<b>16</b>	<b>815.01</b>	<b>695.38</b>	<b>373.57</b>	<b>1,883.96</b>
Profit for the year		259.13	-	-	259.13
Other comprehensive income		(2.99)	-	-	(2.99)
<b>Total Comprehensive Income for the year</b>		<b>256.14</b>	<b>-</b>	<b>-</b>	<b>256.14</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends paid	40	(78.75)	-	-	(78.75)
<b>As at 31 March 2021</b>		<b>992.40</b>	<b>695.38</b>	<b>373.57</b>	<b>2,061.35</b>

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.  
This is the standalone statement of changes in equity referred in our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited****Standalone Statement of cash flows**

(All amounts are in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flow from operating activities</b>			
Profit before income tax		352.28	135.27
Adjustments for :			
Depreciation and amortisation expense	33	185.25	189.02
Loss/ (Gain) on disposal of property, plant and equipment	29 & 34	1.07	(1.26)
Interest income from financial assets at amortised cost	29	(2.67)	(7.51)
Provision for doubtful debts	34	(0.35)	5.42
Finance costs	35	57.89	73.29
Net exchange differences		1.17	(4.06)
<b>Changes in operating assets and liabilities :</b>			
(Increase)/decrease in trade receivables	10	(158.20)	136.44
Increase in inventories	9	(8.12)	(57.65)
Increase/(decrease) in trade payables	23	77.31	(20.97)
Increase in other financial assets	13	(5.30)	(4.80)
Increase in other financial liabilities	18	56.41	6.73
(Increase)/decrease in other assets	8 & 14	35.40	(10.08)
Decrease in provisions	19 & 25	(5.23)	(4.60)
Increase/(decrease) in employee benefit obligations	20 & 26	(7.63)	1.28
Increase/(decrease) in current liabilities	27	86.07	(24.63)
<b>Cash generated from operations</b>		<b>665.35</b>	<b>411.89</b>
Income taxes paid		(98.80)	(67.58)
<b>Net cash inflow from operating activities</b>		<b>566.55</b>	<b>344.31</b>
<b>Cash flows from investing activities :</b>			
Payment for investment in subsidiaries	5	(67.86)	-
Payments for property, plant and equipment	4 (a)	(48.07)	(120.31)
Payments for intangible assets	4 (c)	(2.67)	(130.82)
Proceeds from sale of property, plant and equipment	4 (a)	0.34	1.87
Repayment of loans by related parties		-	0.09
Interest received on deposits		5.43	4.75
<b>Net cash outflow from investing activities</b>		<b>(112.83)</b>	<b>(244.42)</b>
<b>Cash flow from financing activities :</b>			
Availment/(Repayment) of long-term borrowings (net)	17	(99.87)	207.85
Principal elements of lease payments		(9.05)	(5.74)
Availment/(Repayment) of short-term borrowings (net)	22	(196.29)	7.57
Interest paid		(38.23)	(54.72)
Other finance cost paid		(2.07)	(2.16)
Dividends paid to company's shareholders (including Dividend Distribution Tax)	40	(78.75)	(108.50)
<b>Net cash inflow/ (outflow) from financing activities</b>		<b>(424.26)</b>	<b>44.30</b>
<b>Net increase in cash and cash equivalents</b>		<b>29.46</b>	<b>144.19</b>

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Cash and cash equivalents at the beginning of the financial year	11	214.84	70.65
<b>Cash and cash equivalents at the end of the financial year</b>	<b>11</b>	<b>244.30</b>	<b>214.84</b>
<b>Non-cash investing activities</b>			
- Acquisition of right-of-use assets		-	17.25
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	11	244.30	214.84
<b>Balance as per statement of cash flows</b>		<b>244.30</b>	<b>214.84</b>

The above standalone statement of cash flows should be read in conjunction with the accompanying notes.  
This is the standalone statement of cash flows referred in our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium  
Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited**  
**Notes to standalone financial statements**  
(All amounts are in Rupees millions, unless stated otherwise)

**4 (a) Property, plant and equipment**

	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
<b>Year ended 31 March 2020</b>									
<b>Gross carrying amount</b>									
Deemed cost as at 1 April 2019	275.72	282.82	613.65	16.39	13.55	10.85	4.61	1,217.59	1.31
Additions	-	3.18	106.14	0.74	1.53	0.75	2.72	115.06	139.65
Disposals	-	-	-	-	(0.66)	-	-	(0.66)	-
Transfer	-	-	-	-	-	-	-	-	(121.82)
<b>Closing gross carrying amount</b>	<b>275.72</b>	<b>286.00</b>	<b>719.79</b>	<b>17.13</b>	<b>14.42</b>	<b>11.60</b>	<b>7.33</b>	<b>1,331.99</b>	<b>19.14</b>
<b>Accumulated Depreciation</b>									
Charge for the year	-	14.17	123.64	3.74	3.66	5.49	2.43	153.13	-
Disposals	-	-	-	-	(0.05)	-	-	(0.05)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>14.17</b>	<b>123.64</b>	<b>3.74</b>	<b>3.61</b>	<b>5.49</b>	<b>2.43</b>	<b>153.08</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>275.72</b>	<b>271.83</b>	<b>596.15</b>	<b>13.39</b>	<b>10.81</b>	<b>6.11</b>	<b>4.90</b>	<b>1,178.91</b>	<b>19.14</b>

	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
<b>Year ended 31 March 2021</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	275.72	286.00	719.79	17.13	14.42	11.60	7.33	1,331.99	19.14
Additions	-	4.05	52.83	1.95	-	3.38	1.48	63.69	66.46
Disposals	-	-	-	-	(2.98)	-	-	(2.98)	-
Transfer	-	-	0.62	-	-	-	(0.62)	-	(68.66)
<b>Closing gross carrying amount</b>	<b>275.72</b>	<b>290.05</b>	<b>773.24</b>	<b>19.08</b>	<b>11.44</b>	<b>14.98</b>	<b>8.19</b>	<b>1,392.70</b>	<b>16.94</b>
<b>Accumulated Depreciation</b>									
Opening accumulated depreciation	-	14.17	123.64	3.74	3.61	5.49	2.43	153.08	-
Charge for the year	-	14.59	119.31	3.05	3.49	4.50	1.66	146.60	-
Disposals	-	-	-	-	(1.57)	-	-	(1.57)	-
Transfer	-	-	0.10	-	-	-	(0.10)	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>28.76</b>	<b>243.05</b>	<b>6.79</b>	<b>5.53</b>	<b>9.99</b>	<b>3.99</b>	<b>298.11</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>275.72</b>	<b>261.29</b>	<b>530.19</b>	<b>12.29</b>	<b>5.91</b>	<b>4.99</b>	<b>4.20</b>	<b>1,094.59</b>	<b>16.94</b>

**Contractual obligations**

Refer to note 44(i) for disclosure of contractual commitments for the acquisition of Property, plant and equipment.



**Premium Transmission Private Limited**  
**Notes to standalone financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

**4 (b) Leases:**

This note provides information for leases where the Company is a lessee. The Company leases various offices, furniture, residential premises and land. Rental contracts are typically made for fixed periods of 1-9 years, but may have extension and/or termination options as described in (I).

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Right-of-use assets:</b>			
Land	61.26	66.52	53.96
Office Premises	23.30	28.64	30.88
Residential Premises	-	0.30	1.52
Furnitures and Fixtures	0.36	0.49	0.62
	<b>84.92</b>	<b>95.95</b>	<b>86.98</b>

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Lease Liabilities:</b>			
Current	9.20	9.05	4.76
Non-current	28.99	38.19	30.97
	<b>38.19</b>	<b>47.24</b>	<b>35.73</b>

Additions to right-of-use assets during the year ended 31 March 2021 were INR Nil (31 March 2020: INR 17.22 million.)

(ii) Amounts recognized in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Depreciation charge of right-of-use assets</b>			
- Land		5.26	1.85
- Office Premises		5.34	5.05
- Residential Premises		0.30	1.22
- Furnitures and Fixtures		0.13	0.13
<b>Total</b>	<b>33</b>	<b>11.03</b>	<b>8.25</b>

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Interest expense (included in finance costs)	35	4.00	3.53
Expense relating to short-term leases (included in other expenses)	34	1.16	9.03

The total cash outflow for leases for the year ended 31 March 2021 was INR 13.05 million ( for previous year INR 9.27 million)

(I) Extension and termination options

Termination options are included in a number of leases with respect to office premise and residential premise leases across the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor. No extension options have been exercised.

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**4 (c) Intangible assets**

	Software	Technical Know-how	Brand-Stephan	Total
<b>Year ended 31 March 2020</b>				
<b>Gross carrying amount</b>				
Deemed cost as at 1 April 2019	4.54	10.24	115.11	129.89
Additions	4.39	-	-	4.39
<b>Closing gross carrying amount</b>	<b>8.93</b>	<b>10.24</b>	<b>115.11</b>	<b>134.28</b>
<b>Closing accumulated amortisation</b>				
Charge for the year	2.44	2.10	23.10	27.64
<b>Closing accumulated amortization</b>	<b>2.44</b>	<b>2.10</b>	<b>23.10</b>	<b>27.64</b>
<b>Closing net carrying amount</b>	<b>6.49</b>	<b>8.14</b>	<b>92.01</b>	<b>106.64</b>

	Software	Technical Know-how	Brand-Stephan	Total
<b>Year ended 31 March 2021</b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	8.93	10.24	115.11	134.28
Additions	2.67	-	-	2.67
<b>Closing Gross carrying amount</b>	<b>11.60</b>	<b>10.24</b>	<b>115.11</b>	<b>136.95</b>
<b>Accumulated amortisation</b>				
Opening accumulated amortisation	2.44	2.10	23.10	27.64
Charge for the year	2.48	2.05	23.10	27.62
<b>Closing accumulated amortization</b>	<b>4.92</b>	<b>4.15</b>	<b>46.20</b>	<b>55.26</b>
<b>Closing net carrying amount</b>	<b>6.68</b>	<b>6.09</b>	<b>68.91</b>	<b>81.69</b>

**Premium Transmission Private Limited**  
**Notes to standalone financial statements**  
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**5 Non-current Investments**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Investment in Equity instruments in :</b>			
<b>Wholly owned subsidiaries (fully paid up)</b>			
<b>Unquoted:</b>			
25,000 ( 31 March 2020 - 25,000; 1 April 2019 - 25,000) fully paid-up equity shares of Premium Stephan Gmbh (refer note	212.45	164.59	164.59
19,99,900 ( 31 March 2020 - Nil; 1 April 2019 - Nil) fully paid-up equity shares of Premium Motion Private Limited	20.00	-	-
<b>Total</b>	<b>232.45</b>	<b>164.59</b>	<b>164.59</b>
Aggregate amount of unquoted investments	232.45	164.59	164.59
Aggregate amount of impairment in the value of investments	-	-	-

Note: Amount of investment in Premium Stephan Gmbh includes inter corporate deposit of INR 47.86 million given during the year which is convertible into equity at the end of its maturity of one year

**6 Non-current loans**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits	19.65	23.04	20.47
<b>Total</b>	<b>19.65</b>	<b>23.04</b>	<b>20.47</b>

**Break up of security details**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	19.65	23.04	20.47
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	-	-
<b>Total:</b>	<b>19.65</b>	<b>23.04</b>	<b>20.47</b>
Less: Loss allowance	-	-	-
<b>Total</b>	<b>19.65</b>	<b>23.04</b>	<b>20.47</b>

**7 Income tax assets (net)**

	As at 31 March 2021	As at 31 March 2020
Opening balance		
- Current tax assets	62.45	44.40
- Current tax assets liabilities	-	-
Less: Current tax payable for the year	(103.44)	(49.53)
Add: Taxes paid	98.80	67.58
<b>Closing balance</b>	<b>57.81</b>	<b>62.45</b>
<b>Presented as :</b>		
Income tax assets (net)	64.28	62.45
Current tax liabilities	6.47	-

**8 Other non-current assets**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Capital advances	3.29	14.65	18.71
Balances with government authorities	92.85	100.31	114.69
<b>Total</b>	<b>96.14</b>	<b>114.96</b>	<b>133.40</b>

**9 Inventories**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials	318.34	295.29	298.24
Work-in-progress	164.61	159.53	173.83
Finished goods	155.85	177.58	115.83
Stores and spares	49.20	47.48	34.33
<b>Total</b>	<b>688.00</b>	<b>679.88</b>	<b>622.23</b>

The above inventories includes goods-in-transit as follows:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials	1.16	6.47	1.73
Finished goods	20.37	1.89	31.87
	<b>21.53</b>	<b>8.36</b>	<b>33.60</b>

**Amounts recognised in profit or loss:**

During the year, the amount of INR 2.46 (net of reversals) (31 March 2020 INR 42.14) were credited (charged) to statement of profit and loss. These were recognised as an expense during the year and included in 'changes in values of inventories of work-in-progress and finished goods' in statement of profit and loss.

**10 Trade Receivables**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables from contracts with customers	1,158.51	1,026.73	1,111.61
Trade Receivables contracts with customers - related parties (Refer note 42)	42.30	18.73	67.46
Less: Loss allowance	(64.84)	(65.40)	(59.99)
<b>Total</b>	<b>1,135.97</b>	<b>980.06</b>	<b>1,119.08</b>

**Break-up of security details**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	1,200.81	1,045.46	1,179.07
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivable - credit impaired	-	-	-
<b>Total</b>	<b>1,200.81</b>	<b>1,045.46</b>	<b>1,179.07</b>
Less: loss allowance	(64.84)	(65.40)	(59.99)
<b>Total</b>	<b>1,135.97</b>	<b>980.06</b>	<b>1,119.08</b>

**11 Cash and cash equivalents**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with banks			
- in current accounts	223.62	44.72	56.81
- in EEFC accounts	20.60	0.01	13.72
Demand deposits with maturity of less than three months	-	170.00	-
Cash on hand	0.08	0.11	0.12
<b>Total</b>	<b>244.30</b>	<b>214.84</b>	<b>70.65</b>

**12 Current loans**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loan to related party (Refer note 42)	11.74		
<b>Total</b>	<b>11.74</b>	<b>-</b>	<b>-</b>

**Break up of security details**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	11.74	-	-
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	-	-
<b>Total:</b>	<b>11.74</b>	-	-
Less: Loss allowance	-	-	-
<b>Total</b>	<b>11.74</b>	-	-

**13 Other current financial assets**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Gratuity claim receivable	-	3.49	1.15
Receivables from related parties ( <i>Refer note 42</i> )	-	-	0.09
Interest accrued on deposits	-	2.76	-
Others*	0.82	0.37	0.48
<b>Total</b>	<b>0.82</b>	<b>6.62</b>	<b>1.72</b>

\* *Others pertain to miscellaneous advances given.*

**14 Other current assets**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Prepayments	6.85	12.48	7.19
Balances with government authorities	1.30	20.43	18.65
Advances to vendors	30.41	33.40	16.15
Advances to employees	1.13	1.33	1.19
<b>Total</b>	<b>39.69</b>	<b>67.64</b>	<b>43.18</b>

**15 Share capital**

**Authorised share capital**

	Equity share capital	
	Number of shares	Amount
<b>As at 1 April 2019</b>	<b>26,000,000</b>	<b>260.00</b>
Increase during the year	-	-
<b>As at 31 March 2020</b>	<b>26,000,000</b>	<b>260.00</b>
Increase during the year	-	-
<b>As at 31 March 2021</b>	<b>26,000,000</b>	<b>260.00</b>

	Preference share capital	
	Number of shares	Amount
<b>As at 1 April 2019</b>	<b>3,450,000</b>	<b>34.50</b>
Increase during the year	-	-
<b>As at 31 March 2020</b>	<b>3,450,000</b>	<b>34.50</b>
Increase during the year	-	-
<b>As at 31 March 2021</b>	<b>3,450,000</b>	<b>34.50</b>

**(a) Movements in equity share capital (issued, subscribed and paid-up)**

Particulars	Number of shares	Amount
<b>As at 1 April 2019</b>	<b>22,500,000</b>	<b>225.00</b>
Change during the year	-	-
<b>As at 31 March 2020</b>	<b>22,500,000</b>	<b>225.00</b>
Change during the year	-	-
<b>As at 31 March 2021</b>	<b>22,500,000</b>	<b>225.00</b>

Includes five shares held as a nominee shareholder as follows:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Mr. Karan Thapar	5	5	5

**Terms/ rights attached to equity shares**

Equity Shares: The Company has 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.

**(b) Shares of the company held by ultimate holding company and subsidiary of ultimate holding company**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Karun Carpets Private Limited (refer note (e))	15.87	-	-
DBH Mauritius Limited (Entity controlled by ultimate controlling party)	6.63	10.00	10.00
DBH International Private Limited (refer note (e))	-	12.50	12.50

**(c) Shares held by holding company and details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31 March 2021	
	Number of shares (in million)	% of holding
Karun Carpets Private Limited (refer note (e))	15.87	70.56
DBH Mauritius Limited	6.63	29.44

	As at 31 March 2020	
	Number of shares (in million)	% of holding
DBH International Private Limited (refer note (e))	12.50	55.56%
DBH Mauritius Limited	10.00	44.44%

	As at 1 April 2019	
	Number of shares (in million)	% of holding
DBH International Private Limited (refer note (e))	12.50	55.56%
DBH Mauritius Limited	10.00	44.44%

**(d) Aggregate number of shares issued for consideration other than cash**

The Company has not allotted any shares without payment being received in cash during 5 years immediately preceding the year ended 31 March 2021.

(e) A Scheme of Amalgamation ('Scheme') was filed by Karun Carpets Private Limited ('KCPL') (one of the promoter owned group company) before the National Company Law Tribunal ('NCLT'), Chandigarh for amalgamation of DBH International Private Limited ('DBH') and two other companies into KCPL. The Scheme was approved by the NCLT vide order dated 4 December 2020 which has been filed with the Registrar of Companies on 23 December 2020 (which is also the effective date of the scheme). Post the scheme becoming effective KCPL is now the holding company.

## 16 Reserves and Surplus

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
General Reserve (a)	695.38	695.38	695.38
Capital redemption reserve (b)	373.57	373.57	373.57
Retained earnings (c)	992.40	815.01	818.78
<b>Total</b>	<b>2,061.35</b>	<b>1,883.96</b>	<b>1,887.73</b>

### (a) General reserve:

	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning and end of the year	695.38	695.38

### (b) Capital redemption reserve:

	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning and end of the year	373.57	373.57

### (c) Retained earnings:

	As at 31 March 2021	As at 31 March 2020
<b>Opening balance</b>	815.01	818.78
Net Profit for the period	259.13	105.74
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post employment benefit obligations, net of tax	(2.99)	(1.01)
Dividends paid [Refer note 40(b)]	(78.75)	(90.00)
Dividend distribution tax [Refer note 40(b)]	-	(18.50)
<b>Closing balance</b>	<b>992.40</b>	<b>815.01</b>

#### Nature and purpose of reserves:

##### i General reserve:

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

##### ii Capital redemption reserve:

The reserve was created in compliance to section 69 of The Companies Act, 2013. The Company was required to transfer a sum equal to the nominal value that is Rs 100 per share of the 5% non-cumulative redeemable preference shares which were redeemed during the year ended March 31, 2014.

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**17 Non-current borrowings**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Secured</b>			
<b>Term loans</b>			
From banks			
Foreign currency loan (EUR)*	224.77	315.06	90.96
<b>Total non-current borrowings</b>	<b>224.77</b>	<b>315.06</b>	<b>90.96</b>
Less: Current maturities of long-term debt (refer note 24)	112.15	93.48	32.95
Less: Interest accrued (refer note 24)	0.54	0.76	-
<b>Total non-current borrowings (as per balance sheet)</b>	<b>112.08</b>	<b>220.82</b>	<b>58.01</b>

\*Term loan from bank has been secured by exclusive charge on plant and machinery (both present and future)

**Terms of repayment:**

Repayable in 12 equal quarterly installment from July 23, 2020  
Repayable in 12 equal quarterly installment from February 28, 2019

**Interest rate:**

1.50% p.a  
2.00% p.a

**18 Other non-current financial liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Dealer deposits payable	44.23	11.11	10.01
<b>Total</b>	<b>44.23</b>	<b>11.11</b>	<b>10.01</b>

**19 Non-current provisions**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Other provisions:</b>			
Provision for warranty	6.81	8.55	10.08
<b>Total</b>	<b>6.81</b>	<b>8.55</b>	<b>10.08</b>

**Movement in Provision for Warranty**

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the short term after the reporting date. Assumptions used to calculate the provision for warranties were based on sales levels and technical evaluation carried out by the company based on current information available as regards claims, giving cognisance to the warranty period for certain products sold.

	As at 31 March 2021	As at 31 March 2020
Provision at beginning of the year	25.66	30.26
Add: Provision made during the year (net of reversals)	0.28	6.73
Less: Provision utilized	(5.51)	(11.33)
Provision at the end of the year	20.43	25.66
<b>Non-current (included in note 19)</b>	<b>6.81</b>	<b>8.55</b>
<b>Current (included in note 25)</b>	<b>13.62</b>	<b>17.11</b>

**20 Employee benefit obligations - Non Current**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Leave obligations (refer note 37)	26.65	30.02	29.86
<b>Total</b>	<b>26.65</b>	<b>30.02</b>	<b>29.86</b>

**21 Deferred Tax Liabilities (Net)**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Deferred Tax Liabilities</b>			
Property, plant and equipment and intangible assets	39.71	58.02	71.94
Right-of-use assets	8.15	12.43	9.61
<b>Total Deferred Tax Liabilities</b>	<b>47.86</b>	<b>70.45</b>	<b>81.55</b>
<b>Deferred Tax Assets</b>			
Provision for doubtful debts and advances	(18.12)	(20.49)	(22.57)
Expenses allowed on payment basis	(16.79)	(21.56)	(13.51)
Lease liabilities	(9.61)	(13.76)	(10.41)
<b>Total Deferred Tax Assets</b>	<b>(44.52)</b>	<b>(55.81)</b>	<b>(46.49)</b>
<b>Total</b>	<b>3.34</b>	<b>14.64</b>	<b>35.06</b>



**Changes in Deferred Tax (Assets)/ Liabilities in Profit and Loss (credited)/charged during the year**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Statement of profit and loss</b>		
Property, plant and equipment and intangible assets	(18.31)	(13.92)
Right-of-use assets	(4.28)	2.82
Provision for doubtful debts and advances	2.37	2.08
Expenses allowed on payment basis	5.78	(7.63)
Lease liabilities	4.15	(3.35)
<b>Total charged / (credited) to profit or loss</b>	<b>(10.29)</b>	<b>(20.00)</b>
<b>Other comprehensive income</b>		
Remeasurement of defined benefit obligations	(1.01)	(0.42)
<b>Total charged / (credited) to other comprehensive income</b>	<b>(1.01)</b>	<b>(0.42)</b>

**22 Current borrowings\***

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Loans repayable on demand</b>			
<b>Secured</b>			
<i>From banks</i>			
Cash credit	59.69	25.98	19.73
Working capital demand loan	150.30	380.35	379.05
<b>Total current borrowings</b>	<b>209.99</b>	<b>406.33</b>	<b>398.78</b>
Less : Interest accrued	0.30	0.35	0.37
<b>Total current borrowings</b>	<b>209.69</b>	<b>405.98</b>	<b>398.41</b>

\* Working capital loans and cash credit from banks are secured by pari passu charge on current assets of the Company.

**Terms of repayment:**

Secured loans for working capital requirements are repayable in 180 days from the date of drawdown and carry interest rate ranging between 6.50% - 9.30% p.a.

**Net debt reconciliation:**

This section sets out an analysis of net debt and the movements in net debt for the year ended.

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash and cash equivalents	244.30	214.84	70.65
Lease liabilities	(38.19)	(47.24)	(35.73)
Current borrowings	(209.69)	(405.98)	(398.41)
Non-current borrowings	(224.23)	(314.30)	(90.96)
Interest accrued	(0.84)	(1.11)	(0.37)
	<b>(228.65)</b>	<b>(553.79)</b>	<b>(454.82)</b>

	Cash and cash	Lease obligations	Borrowings	Total
<b>Net debt as on 1 April 2019</b>	<b>70.65</b>	<b>(35.73)</b>	<b>(489.74)</b>	<b>(454.82)</b>
Cash flows	144.19	5.74	(215.42)	(65.49)
Acquisitions - leases	-	(17.25)	-	(17.25)
Foreign exchange adjustment	-	-	(15.50)	(15.50)
Interest paid	-	3.52	51.20	54.72
Interest expense	-	(3.52)	(51.93)	(55.45)
<b>Net debt as on 31 March 2020</b>	<b>214.84</b>	<b>(47.24)</b>	<b>(721.39)</b>	<b>(553.79)</b>

	Cash and cash	Lease obligations	Borrowings	Total
<b>Net debt as on 1 April 2020</b>	<b>214.84</b>	<b>(47.24)</b>	<b>(721.39)</b>	<b>(553.79)</b>
Cash flows	29.46	9.05	296.17	334.68
Foreign exchange adjustment	-	-	(9.81)	(9.81)
Interest paid	-	4.00	34.23	38.23
Interest expense	-	(4.00)	(33.96)	(37.96)
<b>Net debt as on 31 March 2021</b>	<b>244.30</b>	<b>(38.19)</b>	<b>(434.76)</b>	<b>(228.65)</b>

**23 Trade payables**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade Payables			
(a) Micro and small enterprises	220.11	178.44	137.07
(b) Other than micro and small enterprises			
i) Related parties ( <i>refer note 42</i> )	4.22	2.04	5.79
ii) Others	459.87	419.82	479.48
<b>Total</b>	<b>684.20</b>	<b>600.30</b>	<b>622.34</b>

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end	220.11	178.28	135.44
Interest due to suppliers registered under the MSMED Act, on the principal amount due as at the year end and remaining unpaid as at the year end	-	0.12	0.16
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	579.76	228.42	720.62
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	6.33	1.95	4.87
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.82	0.05	1.45
Further interest remaining due and payable for earlier years	0.45	-	-

**24 Other current financial liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current maturities of non-current borrowings	112.15	93.48	32.95
Payables to employees	83.26	62.26	56.45
Capital creditors			
(a) Related Parties (Refer note 42)	-	-	126.43
(b) Other than related parties	10.58	8.52	-
Interest accrued	0.84	1.11	0.37
Others	3.09	0.81	0.99
<b>Total</b>	<b>209.92</b>	<b>166.18</b>	<b>217.19</b>

\* Others mainly pertain to security deposits due and staff welfare fund.

**25 Current provisions**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Other Provisions</b>			
Provision for warranty	13.62	17.11	20.18
<b>Total</b>	<b>13.62</b>	<b>17.11</b>	<b>20.18</b>

**26 Employee Benefit obligations - Current**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Gratuity (refer note 37)	15.86	16.91	13.58
Leave obligations (refer note 37)	8.81	8.02	8.80
<b>Total</b>	<b>24.67</b>	<b>24.93</b>	<b>22.38</b>

**27 Other current liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance from customers	125.61	48.18	31.47
Statutory tax payables	19.34	10.70	52.04
<b>Total</b>	<b>144.95</b>	<b>58.88</b>	<b>83.51</b>

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**28 Revenue from operations**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from contracts with customers - at a point in time</b>		
Sale of products	3,705.91	3,815.73
Sale of services	6.83	4.45
<b>Other operating revenue</b>		
Export incentives*	12.45	15.29
Sale of scrap	17.11	20.58
<b>Total</b>	<b>3,742.30</b>	<b>3,856.05</b>

\* Export incentives include amounts received/receivable towards duty drawback on exports and Merchandise Exports from India Scheme (MEIS)

Revenue from sale of products relates to sale of gear boxes and gear motors and from services comprise of contracts for maintenance of gear boxes.

**29 Other income**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income from financial assets at amortised cost	2.67	7.51
Net gain on disposal of property, plant and equipment	-	1.26
Net foreign exchange differences	-	8.22
Guarantee commission (refer note 42)	0.72	0.72
Others	1.37	1.74
<b>Total</b>	<b>4.76</b>	<b>19.45</b>

Others include receipt towards insurance claim and rent income.

**30 Cost of materials consumed**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials at the beginning of the year	295.29	298.24
Add : Purchases	1,925.14	2,122.68
Less : Raw material at the end of the year	318.34	295.29
<b>Total cost of materials consumed</b>	<b>1,902.09</b>	<b>2,125.63</b>

**31 Changes in inventories of work-in-progress and finished goods**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>		
Finished goods	177.58	115.83
Work-in-progress	159.53	173.83
<b>Total opening balance</b>	<b>337.11</b>	<b>289.66</b>
<b>Closing balance</b>		
Finished goods	155.85	177.58
Work-in-progress	164.61	159.53
<b>Total closing balance</b>	<b>320.46</b>	<b>337.11</b>
<b>Total changes in inventories of work-in-progress and finished goods</b>	<b>16.65</b>	<b>(47.45)</b>

**32 Employee benefits expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	440.12	463.11
Contribution to provident and other funds	20.65	25.36
Gratuity (refer note 37)	8.51	7.46
Leave compensation	1.03	7.25
Staff welfare expenses	36.67	47.50
<b>Total</b>	<b>506.98</b>	<b>550.68</b>

**33 Depreciation and amortisation expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	146.60	153.13
Depreciation of right-of-use assets	11.03	8.25
Amortisation of intangible assets	27.62	27.64
<b>Total</b>	<b>185.25</b>	<b>189.02</b>

**34 Other expenses**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and consumables	81.09	90.65
Repairs and maintenance:		
- Buildings	1.10	7.40
- Machinery	33.65	36.03
- Others	16.11	21.80
Communication expense	4.93	7.03
Water and electricity charges	83.76	96.55
Rental charges	1.16	9.03
Rates and taxes	3.00	4.65
Legal and professional charges	18.68	30.18
Travel and conveyance expenses	16.21	44.07
Insurance	14.07	9.00
Printing and stationery	3.04	4.23
Warranty expenses	0.28	6.73
Provision for doubtful debts	-	5.42
Brokerage & Commission	0.17	0.18
After sales service	0.05	0.28
Freight outward	57.04	44.56
Advertising and sales promotion	5.56	12.90
Corporate allocation cost	7.62	9.55
Vehicle running and maintenance	0.90	1.59
Sub-contracting charges	146.42	141.89
Research and development	13.53	40.58
Contractual labour charges	123.62	142.87
Watch and Ward expenses	20.41	21.00
Director's sitting fees & commission	5.18	2.66
Electronic data processing Charges	22.22	22.42
Corporate Social Responsibility expenditure [refer note 34(b)]	5.35	2.07
Payments to auditors [refer note 34(a)]	3.73	4.42
Bank charges	3.80	4.02
Net loss on foreign currency transaction and translation	10.40	-
Miscellaneous expenses	22.84	25.30
<b>Total</b>	<b>725.92</b>	<b>849.06</b>

**34 (a) Details of payments to auditors**

	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
Statutory audit	2.00	2.00
Limited reviews and certifications	1.30	1.30
Other Services	0.10	0.55
Tax audit	0.32	0.32
Out of pocket expenses reimbursed	0.01	0.25
<b>Total</b>	<b>3.73</b>	<b>4.42</b>

34 (b) Corporate social responsibility

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accrual towards unspent obligations in relation to:		
- Ongoing project	4.27	2.20
<b>Total</b>	<b>4.27</b>	<b>2.20</b>
Amount required to be spent as per Section 135 of the Act	5.35	5.51
<u>Amount spent during the year:</u>		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	1.24	2.07
<b>Total</b>	<b>1.24</b>	<b>2.07</b>

Details of ongoing CSR projects under Section 135(6) of the Act:

	As at 31 March 2021
Balance with the Company as at April 1, 2020	2.20
Add: Amount required to be spent during the year	5.35
Less: Amount spent during the year - from the Company's bank account	3.44
<b>Balance with the Company as at March 31, 2021</b>	<b>4.11</b>

35 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest and finance charges on lease liability and financial liabilities not at fair value through profit and loss	46.01	55.63
Net exchange loss on foreign currency borrowings	9.81	15.50
Other borrowing costs*	2.07	2.16
<b>Total</b>	<b>57.89</b>	<b>73.29</b>

\* Other borrowing costs includes bank guarantee and Letters of Credit discounting charges.

36 Income tax expense

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Profit and Loss section	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income tax expense</b>		
Current income tax	103.44	49.53
Deferred tax	(10.29)	(20.00)
<b>Total</b>	<b>93.15</b>	<b>29.53</b>

Other comprehensive income section	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax related to items recognised in OCI during the year	1.01	0.42
<b>Income tax (charged) / credited to OCI</b>	<b>1.01</b>	<b>0.42</b>

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	352.28	135.27
Tax at substantively enacted income-tax rate of 25.17% (31 March 2020 - 29.12%)	88.66	39.39
Weighted deduction on research and development expenditure	-	(6.07)
Effect of change in tax rate	(1.99)	(5.84)
Expenses not allowable for tax purposes	4.13	1.46
Others	2.35	0.59
<b>Income tax expense</b>	<b>93.15</b>	<b>29.53</b>

**Premium Transmission Private Limited****Notes to standalone financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

**37 Employee benefit obligations**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Leave obligations (Refer Note A)</b>	<b>35.46</b>	<b>38.04</b>	<b>38.66</b>
Non-current	26.65	30.02	29.86
Current	8.81	8.02	8.80
<b>Gratuity (Refer Note B)</b>	<b>15.86</b>	<b>16.91</b>	<b>13.58</b>
Current	15.86	16.91	13.58

**A Leave obligations**

The leave obligations for cover the company's sick leave and privilege leave. The significant assumptions were as follows-

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.40%	6.50%
Salary growth rate	6.00%	6.00%
Attrition rate	12.00%	12.00%

**B Gratuity**

The Company has formed "Premium Transmission Private Limited Employees Group Gratuity-Cum-Life Assurance scheme" to manage the gratuity obligations. The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company - Life Insurance Corporation of India. Every permanent employee is entitled to a benefit equivalent to 15/26 days of the last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity as well as level of under funding of the plan.

**I The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2020</b>	<b>88.06</b>	<b>(71.15)</b>	<b>16.91</b>
Current service cost	7.58	-	7.58
Interest expense/(income)	5.35	(4.42)	0.93
<b>Total amount recognised in Profit or Loss</b>	<b>12.93</b>	<b>(4.42)</b>	<b>8.51</b>
<b>Remeasurements</b>			
- Returns on plan assets	-	(0.54)	(0.54)
- (Gain)/loss from change in financial assumptions	0.39	-	0.39
- Experience (gains)/losses	(3.85)	-	(3.85)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(3.46)</b>	<b>(0.54)</b>	<b>(4.00)</b>
Employer contributions/premiums paid	-	(5.77)	(5.77)
Benefit payments	(12.08)	12.08	-
Mortality charges and taxes	-	0.21	0.21
<b>31 March 2021</b>	<b>85.45</b>	<b>(69.59)</b>	<b>15.86</b>

### 37 Employee benefit obligations

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2019</b>	<b>82.04</b>	<b>(68.46)</b>	<b>13.58</b>
Current service cost	6.66	-	6.66
Interest expense/(income)	5.80	(5.00)	0.80
<b>Total amount recognised in Profit or Loss</b>	<b>12.46</b>	<b>(5.00)</b>	<b>7.46</b>
<b>Remeasurements</b>			
- Returns on plan assets	-	0.27	0.27
- (Gain)/loss from change in financial assumptions	1.15	-	1.15
- Experience (gains)/losses	0.01	-	0.01
<b>Total amount recognised in Other Comprehensive Income</b>	<b>1.16</b>	<b>0.27</b>	<b>1.43</b>
Employer contributions/premiums paid	-	(5.73)	(5.73)
Benefit payments	(7.60)	7.60	-
Mortality charges and taxes	-	0.17	0.17
<b>31 March 2020</b>	<b>88.06</b>	<b>(71.15)</b>	<b>16.91</b>

#### II The net liability disclosed above relates to funded plans are as follows :

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Present value of funded obligation	85.45	88.06	82.04
Fair value of plan assets	(69.59)	(71.15)	(68.46)
<b>Net liability position</b>	<b>15.86</b>	<b>16.91</b>	<b>13.58</b>

#### III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Discount rate	6.40%	6.50%	7.40%
Salary growth rate	6.00%	6.00%	6.75%
Withdrawal rate:			
Age upto 30 years	12.00%	12.00%	12.00%
Age 30-40 years	12.00%	12.00%	12.00%
Age 41-50 years	12.00%	12.00%	12.00%
Age above 50 years	12.00%	12.00%	12.00%
Mortality rate	IALM (2012-14) ult	IALM (2006-08) ult	IALM (2006-08) ult
Expected average remaining working lives of employees (in	6.75	6.74	6.77

### 37 Employee benefit obligations

#### IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	As at 31 March 2021	As at 31 March 2020
<b>Discount rate</b>		
1% decrease	4.82%	4.77%
1% increase	-4.43%	-4.35%
<b>Salary increment rate</b>		
1% decrease	-3.64%	-3.58%
1% increase	3.87%	3.84%
<b>Withdrawal rate</b>		
1% decrease	0.23%	0.22%
1% increase	-0.26%	-0.21%

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected future benefit payments:

	As at 31 March 2021	As at 31 March 2020
Between 1 year	23.18	23.06
Between 2 - 5 years	43.49	49.97
Between 6 - 10 years	50.71	48.90
Over 10 years		-

#### V The major categories of plan assets are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Pooled assets with an insurance company	100.00%	100.00%	100.00%

VI The Company expects to contribute Rs. 5 million to the gratuity fund in the next year (31 March 2021 - Rs. 16.90 million)

#### C Defined contribution plans

The company also has certain defined contribution plans. Contributions are made to provident fund in India for eligible employees at 12% of basic and dearness allowance as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period 2021, towards defined contribution plan is Rs. 20.65 million (31 March 2020 Rs.25.36 million ).



### 37 Employee benefit obligations

#### D Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

- i Asset Volatility :** All plan assets for gratuity are maintained in a trust managed by a public sector insurer viz.LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- ii Changes in bond yields :** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plans' bond holdings
- iii Life expectancy:** This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.
- iv Future salary increase and inflation risk:** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this
- v Asset-Liability mismatch risk:** Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

### 38 Fair value measurements

#### Financial assets and liabilities at amortised cost

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b><i>Financial assets</i></b>			
Trade receivables	1,135.97	980.06	1,119.08
Cash and cash equivalents	244.30	214.84	70.65
Loans	31.38	23.04	20.47
Others	0.82	6.62	1.72
<b>Total financial assets</b>	<b>1,412.47</b>	<b>1,224.56</b>	<b>1,211.92</b>
<b><i>Financial liabilities</i></b>			
Borrowings	434.76	721.39	489.74
Lease liabilities	38.19	47.24	35.73
Trade payable	684.20	600.30	622.34
Capital creditors	10.58	8.52	126.43
Dealer deposits	44.23	11.11	10.01
Payable to employees	83.26	62.26	56.45
Others	3.09	0.81	0.99
<b>Total financial liabilities</b>	<b>1,298.31</b>	<b>1,451.63</b>	<b>1,341.69</b>

#### i) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, security deposits, loans, cash and cash equivalents, trade payables, customer deposits received, borrowings, capital creditors, current maturities are considered to be the same as their fair values, due to their short-term nature.

The non-current borrowings from banks are at market interest rate and are not materially different from their fair value.

### 39 Financial risk management

This note explains the Company's exposure to financial risks and how these risks could affect the company's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Company's activities exposes it to market risk, liquidity risk and credit risk.

#### A Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

#### (i) Credit risk management

For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Credit risk related to trade receivables arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly utilisation of credit limits is regularly monitored.

#### (ii) Impairment of financial assets

The Company has two types of financial assets that are subject to expected credit loss model:

- Trade receivables
- Security deposits carried at amortised cost

While cash and cash equivalents are also subject to impairment requirements under Ind-AS 109, there was no identified impairment loss.

#### Trade receivables

To measure the expected credit losses, trade receivables have been grouped based days past due. The expected credit loss rates are based on the payment profiles of sales over a period of 48 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

#### Reconciliation of loss allowance provision - trade receivables

	Amount
<b>Loss allowance as on 1 April 2019</b>	<b>(59.99)</b>
Changes in loss allowance	(5.41)
<b>Loss allowance as on 31 March 2020</b>	<b>(65.40)</b>
Changes in loss allowance	0.56
<b>Loss allowance as on 31 March 2021</b>	<b>(64.84)</b>

#### Loans carried at amortised cost

All loan are considered to have a low credit risk, and the loss allowance recognised during the period was based on specific identification basis. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term which is generally based on past experience and any specific instances noted to the contrary.

## 38 Fair value measurements

### B Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2021	Less than a year	1 - 3 years	More than 3 years
Borrowings	321.87	90.28	22.57
Lease liabilities	9.20	14.86	14.13
Trade payables	684.20	-	-
Other financial liabilities	97.77	44.23	-
<b>Total</b>	<b>1,113.04</b>	<b>149.37</b>	<b>36.70</b>

As at 31 March 2020	Less than a year	1 - 3 years	More than 3 years
Borrowings	499.47	199.25	21.55
Lease liabilities	9.05	19.55	18.64
Trade payables	600.30	-	-
Other financial liabilities	72.70	11.11	-
<b>Total</b>	<b>1,181.52</b>	<b>229.91</b>	<b>40.19</b>

As at 1 April 2019	Less than a year	1 - 3 years	More than 3 years
Borrowings	431.03	58.71	-
Lease liabilities	4.76	7.87	23.12
Trade payables	622.34	-	-
Other financial liabilities	184.24	10.01	-
<b>Total</b>	<b>1,242.37</b>	<b>76.59</b>	<b>23.12</b>

### C Market Risk

#### (i) Foreign currency risk

Currency risk means the risk that the result or economic situation of the Company changes due to changes in exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

##### (a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of reporting period in INR (millions), are as follows

	As at 31 March 2021			As at 31 March 2020		As at 1 April 2019	
	USD	EURO	RMB	USD	EURO	USD	EURO
<b>Financial assets</b>							
Trade receivables	35.51	118.48	-	37.36	19.43	30.24	64.19
Other receivables	-	-	-	-	-	-	-
<b>Net exposure to foreign currency</b>	<b>35.51</b>	<b>118.48</b>		<b>37.36</b>	<b>19.43</b>	<b>30.24</b>	<b>64.19</b>
<b>Financial liabilities</b>							
Capital creditors	-	-	-	-	-	-	126.68
Borrowings	-	224.98	-	-	315.06	-	90.96
Others	1.69	4.90	12.66	34.82	21.72	2.30	5.76
<b>Net exposure to foreign currency</b>	<b>1.69</b>	<b>229.88</b>	<b>12.66</b>	<b>34.82</b>	<b>336.78</b>	<b>2.30</b>	<b>223.40</b>

### 38 Fair value measurements

The sensitivity of profit or loss to changes in foreign exchange rates with respect to year end payable / receivable balances is as follows :

	Impact on profit	
	As at 31 March 2021	As at 31 March 2020
Increase by 5%*		
USD	1.69	0.13
EURO	(5.57)	(15.83)
RMB	(0.63)	-
Decrease by 5%*		
USD	(1.69)	(0.13)
EURO	5.57	15.83
RMB	0.63	-

\*Holding all other variables constant

#### (ii) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During year ended 31 March 2021 and 31 March 2020, the Company's borrowings at variable rate were mainly denominated in EUR.

#### Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Variable rate borrowings	224.77	315.06	90.96
Weighted average rate of interest	-	-	-
% to total loans	52%	44%	19%
<b>Variable rate borrowings with exposure to interest rate risk</b>	<b>224.77</b>	<b>315.06</b>	<b>90.96</b>

A movement of 50 basis points in the interest rate will not have material impact on profit after tax.

### 40 Capital management

#### (a) Risk Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

*Net debt (total borrowings and lease liabilities net of cash and cash equivalents)*  
divided by  
*Total 'equity' (as shown in the balance sheet)*

The gearing ratios were as follows:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Net debt	228.66	553.79	454.82
Total equity	2,286.35	2,108.96	2,112.73
<b>Net debt to equity ratio</b>	<b>10.00%</b>	<b>26.26%</b>	<b>21.53%</b>

#### (b) Dividends

	As at 31 March 2021	As at 31 March 2020
<i>(i) Equity shares</i>		
Final dividend for the year ended 31 March 2020 of Rs. 0.5 (31 March 2019 - Rs. 3) per fully paid share	11.25	67.50
Dividend Distribution Tax on final dividend	-	13.87
Interim dividend for the year ended 31 March 2021 of Rs. 3 (31 March 2020 - Rs. 1) per fully paid share	67.50	22.50
Dividend Distribution Tax on interim dividend	-	4.63
<i>(ii) Dividends not recognised at the end of the reporting period</i>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs.3 (31 March 2020 - Rs. 0.5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	67.50	11.25
Dividend Distribution Tax on proposed dividend	-	-

**Premium Transmission Private Limited**  
**Notes to standalone financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

**41 Segment reporting**

As per para 4 of Ind AS-108 (Operating Segments), if a single financial report contains both the consolidated financial statements of a parent that is within the scope of this Indian Accounting Standard as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly segment information has been provided only in the consolidated financial statements.

**42 Related party transactions**

**A) Name of the related parties and nature of relationship**

**(i) Where control exists :**

<b>Ultimate Holding Company</b>	
	Karun Carpets Private Limited
<b>Holding Company</b>	
1	Karun Carpets Private Limited w.e.f. December 23, 2020
2	DBH International Private Limited upto December 22, 2020

**(ii) Other related parties with whom transactions have taken place during the year:**

<b>Fellow Subsidiaries:</b>	
1	DBH International Private Limited
<b>Subsidiaries:</b>	
1	Premium Stephan Gmbh
2	Premium Motion Private Limited
<b>Entities in which KMP exercise significant influence</b>	
1	EICL Limited
2	Greaves Cotton Limited
3	DBH Consulting Limited
4	Aravali Sports and Cultural Foundation
5	Melior Motion Gmbh
<b>Entities which exercise significant influence on the Company</b>	
1	DBH Mauritius Limited
<b>Key Management Personnel</b>	
1	Mr. Karan Thapar – Chairman
2	Mr. Neeraj Bisaria – Managing Director & Chief Executive Officer

<b>I</b>	<b>Key management personnel compensation*</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
	<b>Short term employee benefits</b>	13.13	19.00
	<b>Total</b>	<b>13.13</b>	<b>19.00</b>

<b>II</b>	<b>Transactions with related parties</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
	<b>Sale of goods &amp; Services</b>		
1	Greaves Cotton Limited	1.73	0.45
2	Premium Stephan Gmbh	72.26	80.13
	<b>Purchase of goods</b>		
1	Premium Stephan Gmbh	1.56	2.20
2	Greaves Cotton Limited	0.01	0.05
	<b>Reimbursement received for expense</b>		
1	Premium Stephan Gmbh	1.38	8.60
	<b>Receipt of services and other charges</b>		
1	EICL Limited	9.00	9.55
2	Greaves Cotton Limited	0.03	0.08
3	Premium Stephan Gmbh	-	0.10
4	DBH Consulting Limited	0.61	2.22
	<b>Guarantee commission</b>		
1	Premium Stephan Gmbh	0.72	0.72
	<b>Rent income</b>		
1	Premium Motion Private Limited	0.71	-
	<b>Investment in equity shares</b>		
1	Premium Motion Private Limited	20.00	-
	<b>Inter corporate deposit**</b>		
1	Premium Stephan Gmbh	47.86	-
	<b>Donations made</b>		
1	Aravali Sports and Cultural Foundation	0.75	1.00
	<b>Dividend Paid</b>		
1	DBH International Private Limited	6.25	50.00
2	DBH Mauritius Limited	24.88	40.00
3	Karun Carpets Private limited	47.62	-

<b>III</b>	<b>Outstanding balances from sale/purchases of goods</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
	<b>Trade Payables</b>			
1	Greaves Cotton Limited	-	-	0.03
2	Premium Stephan Gmbh	2.88	1.26	5.76
3	EICL Limited	1.34	0.78	-
	<b>Total trade payables from related parties</b>	<b>4.22</b>	<b>2.04</b>	<b>5.79</b>
<b>IV</b>	<b>Outstanding balances from sale/purchases of goods</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
	<b>Trade Receivables</b>			
1	Premium Stephan Gmbh	41.63	18.70	67.17
2	Greaves Cotton Limited	0.67	0.03	0.29
	<b>Total receivables from related parties</b>	<b>42.30</b>	<b>18.73</b>	<b>67.46</b>
<b>V</b>	<b>Other Receivable</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
	<b>Other Receivable</b>			
1	Premium Stephan Gmbh	-	-	0.09
	<b>Total other receivables from related parties</b>	<b>-</b>	<b>-</b>	<b>0.09</b>
<b>VI</b>	<b>Balances due to purchase of intangible assets</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
	<b>Intangible assets</b>			
1	Premium Stephan Gmbh	-	-	126.68
	<b>Total balances due to purchase of intangible assets</b>	<b>-</b>	<b>-</b>	<b>126.68</b>
<b>VII</b>	<b>Loan given to related party</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
1	Premium Motion Private Limited	11.74	-	-
	<b>Total loan given to related party</b>	<b>11.74</b>	<b>-</b>	<b>-</b>
<b>VIII</b>	<b>Guarantees</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
	<b>Guarantees given outstanding shown under contingent liabilities</b>			
1	Premium Stephan Gmbh	264.25	252.73	225.98
	<b>Total Guarantees given outstanding shown under contingent liabilities</b>	<b>264.25</b>	<b>252.73</b>	<b>225.98</b>

- B)** (1) Transactions related to dividends were on the same terms and conditions that applied to other shareholders.  
(2) Goods were sold to fellow subsidiaries during the year based on the price lists in force and terms that would be available to third parties.  
(3) All other transactions were made on normal commercial terms and conditions and at market rate.  
(4) All outstanding balances are unsecured and repayable at cash.

\* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

\*\* Inter corporate deposit of INR 47.86 million given during the year is considered as investment as it is convertible into equity at the end of its maturity.

**Premium Transmission Private Limited****Notes to standalone financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

**43 Contingent Liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Claims against the Company not acknowledged as debts:			
- Central sales tax and VAT liability that may arise in respect of matters in appeal	81.54	22.66	22.66
- Excise duty liability that may arise in respect of matters in appeal	34.46	34.46	34.46
- Income tax liability that may arise in respect of matters in appeal (exclude interest and penalty to the extent not known)	83.01	61.22	57.02
Guarantees*			
Borrowings Outstanding	264.25	252.73	225.98
<b>Total</b>	<b>463.26</b>	<b>371.07</b>	<b>340.12</b>

*\*The Company has given financial guarantees of subsidiary for working capital requirement ( For 31 March 2021 Euro 3,074,000, 31 March 2020 Euro 3,074,000 and 1 April 2019 Euro 3,074,000 ) to banks on behalf of its subsidiary for working capital requirement*

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

**44 Commitments****i Capital commitments:**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	16.93	6.03	52.25

**45 Earning per share**

	As at 31 March 2021	As at 31 March 2020
Profit attributable to the equity holders of the company used in calculating basic earnings per share	259.13	105.74
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	22.50	22.50
<b>Basic and Diluted Earning per share</b>	<b>11.52</b>	<b>4.70</b>

#### **46 First-time adoption**

##### **Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2021 the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 1 April 2019 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in below notes.

##### **A. Exemptions and exceptions availed**

###### **I Exemptions availed**

###### **a) Deemed cost - Property, plant and equipment (PPE), intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

###### **b) Business Combinations**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

###### **c) Deemed cost - Investment in subsidiaries**

Ind AS 101 permits a first adopter to elect to continue to measure its investment in subsidiaries at the carrying amount as recognised in the financial statements as per previous GAAP as at the date of transition to Ind AS.

Accordingly, the Company has elected to measure all of its investment in subsidiaries at the previous GAAP carrying value.

###### **d) Leases**

Ind AS 101 permits following practical expedients on application of Ind AS 116.

The following practical expedients have been applied to all the leases

The lease liability is measured as the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of transition to Ind AS;

The right-of-use asset is measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS;

The following practical expedients have been applied on a lease to lease basis -

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- elected not to apply provisions of Ind AS 116 on low value assets
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

###### **II Exceptions applied**

###### **a) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based expected credit loss model.



Reconciliation of total equity as at 31 March 2020 and 1 April 2019

Description	Notes to first time adoption	As at 31 March 2020	As at 1 April 2019
<b>Total Equity as per previous GAAP</b>		<b>2,118.28</b>	<b>2,120.98</b>
<b>Ind-AS Adjustments [ Increase in Equity/ (Decrease in Equity)]</b>			
i. Lessee accounting under Ind-AS 116	1	(4.54)	(2.73)
ii. Provision for trade receivables under the expected credit losses model	2	(9.87)	(8.91)
iii. Amortisation of acquired intangible assets	3	1.28	-
iv. Tax effect of above adjustments	5	3.81	3.39
<b>Total Ind-AS adjustments</b>		<b>(9.32)</b>	<b>(8.25)</b>
<b>Total Equity as per Ind-AS</b>		<b>2,108.96</b>	<b>2,112.73</b>

Reconciliation of total comprehensive income for the year ended 31 March 2020

Description	Notes to first time adoption	As at 31 March 2020
<b>Net profit after tax under previous GAAP</b>		<b>105.80</b>
<b>Ind AS adjustments [Increase in profits / (decrease in profits)]</b>		
i. Lessee accounting under Ind-AS 116	1	(1.81)
ii. Provision for expected credit losses on trade receivables	2	(0.96)
iii. Amortisation of acquired intangible assets	3	1.28
iv. Remeasurements of post employment obligations	4	1.43
v. Tax effects of above adjustments	5	(0.00)
<b>Total of adjustments</b>		<b>(0.06)</b>
<b>Net Profit after tax as per Ind-AS</b>		<b>105.74</b>
<b>Other comprehensive income</b>		
i. Remeasurements of post-employment benefit obligations	4	(1.43)
ii. Deferred tax on above	5	0.42
<b>Total Other comprehensive income</b>		<b>(1.01)</b>
<b>Total Comprehensive Income as per Ind AS</b>		<b>104.73</b>

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2020

	Previous GAAP	Adjustments	Ind AS
Net cash inflows from operating activities	338.45	(5.86)	344.31
Net cash outflows from investing activities	(244.53)	(0.11)	(244.42)
Net cash inflows from financing activities	50.27	5.97	44.30
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>144.19</b>		<b>144.19</b>
Cash and cash equivalents as at 31 March 2020	70.65	-	70.65
<b>Cash and cash equivalents as at 31 March 2020</b>	<b>214.84</b>		<b>214.84</b>

Notes to first-time adoption

**1 Lessee accounting under Ind-AS 116**

As per Ind-AS 116, the Company recognised lease liability and right-of-use asset for all contracts that are or contain a lease unless the lease contract pertain to short-term leases or leases for which the underlying asset is of low value. The lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at 1 April 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities as on 1 April 2019 was 10%.

The associated right-of-use assets were measured at their carrying amounts as if Ind-AS 116 had been applied since the commencement date of the lease but using the lessee's incremental borrowing rate at the date of transition. The difference between the right-of-use assets and lease liabilities as at the transition date has been adjusted to retained earnings. The Company has recognised a lease liability of Rs. 35.75 million and right-of-use assets amounting to Rs. 86.98 million as at the transition date with the corresponding adjustment to retained earnings. Out of the right-of-use assets recognised, Rs. 53.96 million relates to reclassification of the carrying value of leasehold land.

The Company has further recognised during the year ended 31 March 2020, lease liabilities and right-of-use assets amounting Rs. 17.22 million. This has resulted in a decrease in total equity as at 31 March 2020 by Rs. 4.55 million (1 April 2019 - Rs. 2.74 million) and decrease in the profit for the year ended 31 March 2020 by Rs. 1.81 million.

**2 Trade receivables**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by Rs. 9.87 million (1 April 2019 - Rs. 8.91 million). Consequently, the total equity as at 31 March 2020 decreased by Rs. 9.87 million (1 April 2019 - Rs. 8.91 million) and profit for the year ended 31 March 2020 decreased by 0.96 million.

**3 Acquisition of assets**

The Company had acquired Brand 'Stephen' and technical know-how from its step-down subsidiary, Premium Stepehn B.V. The Company had recognised the acquired assets at their fair values which resulted in a goodwill (difference between the fair value of assets acquired and consideration paid) of INR 9.66 mn. Under Ind-AS, goodwill is recognised only if a group of assets acquired meets the definition of a business as specified in Ind-AS 103. Under Ind-AS, the transaction has been assessed as an asset acquisition. Therefore, amount of goodwill recognised under IGAAP has been reallocated to the other two identified assets in the ratio of their respective fair values. The consequential impact of amortisation expense has resulted in an increase in equity as at and profit for the year ended 31 March 2020 by INR 1.28 million.

**4 Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability, are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2020 decreased by Rs.1.43 million with corresponding decrease in other comprehensive income. There is no impact on the total equity as at 31 March 2020.

**5 Deferred tax**

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

**6 Retained earnings**

Retained earnings as at 1 April 2019 has been adjusted consequent to the above Ind AS transition adjustments.

47 The spread of COVID-19 pandemic has severely impacted businesses in many countries including India and there has been severe disruption to regular business operations due to the extended lockdown. The Company has made detailed assessment of its liquidity position and the recoverable values of its assets and has concluded that there are no material adjustments required in the standalone financial statements. However the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The actual impact of this pandemic might be different from that estimated as at the date of approval of these financial statements. The Company continues to monitor any material changes to future economic conditions.

In terms of our report of even date  
**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium  
Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

## **Independent auditor's report**

### **To the Members of Premium Transmission Private Limited Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

1. We have audited the accompanying consolidated financial statements of Premium Transmission Private Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer note 40 to the attached consolidated financial statements), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 sub-paragraph 13 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

4. We draw your attention to Note 48 to the consolidated financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Group. The management believes that no significant adjustments are required in the consolidated financial statements based on the current assessment. However, in the opinion of the management, given the highly uncertain economic environment, a definitive assessment of impact of COVID-19 on the financial position and performance of the Group is dependent on the circumstances as they evolve. Our opinion is not modified in respect of this matter.

### **Other Information**

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our 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. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 13 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.
7. 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

9. 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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 the 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 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.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Other Matters**

12. The comparative financial information of the Group for the year ended March 31, 2020 and the transition date opening balance sheet as at April 1, 2019 included in these consolidated financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated June 19, 2020 and May 8, 2019 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.
13. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs 391 million and net assets of Rs (126.59) millions as at March 31, 2021, total revenue of Rs. 440.19 million, total comprehensive income (comprising of loss and other comprehensive income) of Rs (73.29) millions and net cash flows amounting to Rs 28.37 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar 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 including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
14. We did not audit the financial information of a subsidiary whose financial statements reflect total assets of Rs 24.92 million and net assets of Rs 18.99 million as at March 31, 2021, total revenue of Rs. Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs (1.01) millions and net cash flows amounting to Rs 23.94 million for the period ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

### **Report on Other Legal and Regulatory Requirements**

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records 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.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 42 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts as at March 31, 2021. The Group did not have any derivative contracts as at March 31, 2021.
    - iii. During the year ended March 31, 2021, 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 incorporated in India.

INDEPENDENT AUDITOR'S REPORT  
To the Members of Premium Transmission Private Limited  
Report on the Consolidated Financial Statements  
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- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.
  
16. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Vivian Pillai  
Partner  
Membership Number: 127791  
UDIN: 21127791AAAABR6982

Place: Pune  
Date: May 05, 2021



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the consolidated financial statements for the year ended March 31, 2021

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### **Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Premium Transmission Private Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under Clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to the subsidiary company incorporated in India, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

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

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the consolidated financial statements for the year ended March 31, 2021

Page 2 of 2

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 system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 Holding Company has in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Also refer paragraph 4 of the main consolidated audit report).

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Vivian Pillai  
Partner  
Membership Number: 127791  
UDIN: 21127791AAAABR6982

Place: Pune  
Date: May 5, 2021

**Premium Transmission Private Limited**

**Consolidated Balance Sheet**

(All amounts are in Rupees millions, unless stated otherwise)

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	4 (a)	1,134.57	1,184.72	1,218.22
Right-of-use assets	4 (b)	141.78	167.28	100.39
Capital work-in-progress	4 (a)	16.94	19.14	1.31
Intangible assets	4 (c)	6.74	7.01	5.81
<b>Financial assets</b>				
(a) Loans	5	23.66	26.88	20.47
Income tax assets (net)	6	64.28	62.45	44.40
Deferred Tax Assets (Net)	7	14.75	14.95	1.83
Other non-current assets	8	96.53	116.65	133.40
<b>Total non-current assets</b>		<b>1,499.25</b>	<b>1,599.08</b>	<b>1,525.83</b>
<b>Current assets</b>				
Inventories	9	844.30	864.96	855.71
<b>Financial assets</b>				
(a) Trade receivables	10	1,151.64	1,018.30	1,134.61
(b) Cash and cash equivalents	11	326.28	243.19	71.22
(c) Other financial assets	12	1.19	9.88	3.08
Other current assets	13	56.11	70.42	45.98
<b>Total current assets</b>		<b>2,379.52</b>	<b>2,206.75</b>	<b>2,110.60</b>
<b>Total Assets</b>		<b>3,878.77</b>	<b>3,805.83</b>	<b>3,636.43</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	225.00	225.00	225.00
<b>Other equity</b>				
Reserves and surplus	15	1,702.37	1,589.04	1,629.92
Other reserves	15	0.80	3.04	-
<b>Total equity</b>		<b>1,928.17</b>	<b>1,817.08</b>	<b>1,854.92</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
(a) Borrowings	16	112.08	220.82	58.01
(b) Lease liabilities	4 (b)	71.96	93.46	33.70
(c) Other financial liabilities	17	44.24	11.11	10.01
Provisions	18	6.81	8.55	10.08
Employee benefit obligations	19	61.05	60.24	59.99
<b>Total non-current liabilities</b>		<b>296.14</b>	<b>394.18</b>	<b>171.79</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(a) Borrowings	20	416.00	603.29	623.91
(b) Lease liabilities	4 (b)	24.03	25.62	15.89
(c) Trade payables	21			
- Total outstanding dues of micro enterprises and small enterprises		220.34	178.44	137.07
- Total outstanding dues of creditors other than micro enterprises and small enterprises		527.41	472.99	585.48
(d) Other financial liabilities	22	229.50	197.57	108.99
Provisions	23	18.35	21.63	24.15
Employee benefit obligations	24	34.99	30.91	26.62
Current tax liabilities	6	6.47	-	-
Other current liabilities	25	177.37	64.12	87.61
<b>Total current liabilities</b>		<b>1,654.46</b>	<b>1,594.57</b>	<b>1,609.72</b>
<b>Total Liabilities</b>		<b>1,950.60</b>	<b>1,988.75</b>	<b>1,781.51</b>
<b>Total equity and liabilities</b>		<b>3,878.77</b>	<b>3,805.83</b>	<b>3,636.43</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.  
This is the consolidated balance sheet referred in our report of event date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited**  
**Consolidated Statement of Profit and Loss**  
(All amounts are in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	26	4,108.69	4,314.31
Other income	27	5.75	28.86
<b>Total income</b>		<b>4,114.44</b>	<b>4,343.17</b>
<b>Expenses</b>			
Cost of materials consumed	28	2,070.83	2,402.60
Changes in inventories of work-in-progress and finished goods	29	35.44	(58.38)
Employee benefits expense	30	660.61	695.64
Depreciation and amortisation expense	31	181.84	179.93
Other expenses	32	795.74	915.40
Finance costs	33	66.46	80.31
<b>Total expenses</b>		<b>3,810.92</b>	<b>4,215.50</b>
<b>Profit before exceptional item</b>		<b>303.52</b>	<b>127.67</b>
Exceptional item	45	-	23.62
<b>Profit before tax</b>		<b>303.52</b>	<b>104.05</b>
<b>Income tax expense</b>	<b>34</b>		
- Current tax		103.44	47.73
- (Excess)/short provision for tax of earlier years		-	1.80
- Deferred tax		1.20	(12.69)
<b>Total tax expense</b>		<b>104.64</b>	<b>36.84</b>
<b>Profit for the year</b>		<b>198.88</b>	<b>67.21</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operation	15	(2.24)	3.04
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post-employment benefit obligations	35	(7.81)	(0.01)
Income-tax relating to the above	34	1.01	0.42
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>(9.04)</b>	<b>3.45</b>
<b>Total comprehensive income for the year</b>		<b>189.84</b>	<b>70.66</b>
Earnings per equity share:	44		
Basic and Diluted		8.84	2.99

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.  
This is the consolidated statement of profit and loss referred in our report of event date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium  
Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited**  
**Consolidated statement of cash flows**  
(All amounts are in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flow from operating activities</b>			
Profit before income tax		303.52	104.05
Adjustments for :			
Depreciation and amortisation expense	31	181.84	179.93
Gain on disposal of property, plant and equipment	27	(0.03)	(1.26)
Interest income from financial assets at amortised cost	27	(2.49)	(7.51)
Liabilities to the extent no longer required written back	27	(0.78)	(4.68)
Provision for doubtful debts	32	-	4.55
Finance costs	33	66.46	80.31
Net exchange differences		1.21	(4.08)
<b>Changes in operating assets and liabilities :</b>			
(Increase)/decrease in trade receivables	10	(134.20)	114.60
Decrease/(increase) in inventories	9	29.48	(9.25)
Increase/(decrease) in trade payables	21	87.84	(65.37)
Decrease/(Increase) in other financial assets	12	10.06	(10.50)
Increase in other financial liabilities	17	42.24	19.94
Decrease/(increase)in other assets	8 & 13	21.88	(10.06)
Decrease in provisions	18 & 23	(7.32)	(4.05)
(Decrease)/increase in employee benefit obligations	19 & 24	(2.92)	4.53
Increase/(decrease) in current liabilities	25	113.22	(23.49)
<b>Cash generated from operations</b>		<b>710.01</b>	<b>367.66</b>
Income taxes paid		(98.80)	(67.58)
<b>Net cash inflow from operating activities</b>		<b>611.21</b>	<b>300.08</b>
<b>Cash flows from investing activities :</b>			
Payments for property, plant and equipment and intangible assets	4 (a)	(86.26)	(130.36)
Proceeds from sale of property, plant and equipment	4 (a)	2.14	1.87
Interest received on deposits		5.25	4.75
<b>Net cash outflow from investing activities</b>		<b>(78.87)</b>	<b>(123.74)</b>
<b>Cash flow from financing activities :</b>			
Availment/(Repayment) of long-term borrowings (net)	16	(99.78)	207.84
Principal elements of lease payments		(26.52)	(20.40)
Availment/(Repayment) of short-term borrowings (net)	20	(196.28)	(20.62)
Interest paid		(47.62)	(62.63)
Other finance cost paid		(1.34)	(1.27)
Dividends paid to company's shareholders (including Dividend Distribution Tax)	38	(78.75)	(108.50)
<b>Net cash outflow from financing activities</b>		<b>(450.29)</b>	<b>(5.58)</b>
<b>Net increase in cash and cash equivalents</b>		<b>82.05</b>	<b>170.76</b>
Cash and cash equivalents at the beginning of the financial year	11	243.19	71.22
Effects of exchange rate changes on cash and cash equivalents		1.04	1.21
<b>Cash and cash equivalents at the end of the financial year</b>	<b>11</b>	<b>326.28</b>	<b>243.19</b>
<b>Non-cash investing activities</b>			
- Acquisition of right-of-use assets		-	86.67
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	11	326.28	243.19
<b>Balance as per statement of cash flows</b>		<b>326.28</b>	<b>243.19</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.  
This is the consolidated statement of cash flows referred in our report of event date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**Premium Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited**  
**Consolidated Statement of Changes in Equity as at March 31, 2021**  
(All amounts are in Rupees millions, unless stated otherwise)

**A. Equity share capital**

	Notes	Amount
<b>As at 1 April 2019</b>	<b>14</b>	<b>225.00</b>
Changes in equity share capital		-
<b>As at 31 March 2020</b>	<b>14</b>	<b>225.00</b>
Changes in equity share capital		-
<b>As at 31 March 2021</b>	<b>14</b>	<b>225.00</b>

**B. Other equity**

	Notes	Reserves and Surplus			Other reserves	Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	Foreign currency translation reserve	
<b>Balance as at 1 April 2019</b>	<b>15</b>	<b>560.97</b>	<b>695.38</b>	<b>373.57</b>	-	<b>1,629.92</b>
Profit for the year		67.21	-	-	-	67.21
Other comprehensive income		0.41	-	-	3.04	3.45
<b>Total Comprehensive Income for the year</b>		<b>67.62</b>	<b>-</b>	<b>-</b>	<b>3.04</b>	<b>70.66</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends paid	38	(90.00)	-	-	-	(90.00)
Dividend distribution tax	38	(18.50)	-	-	-	(18.50)
<b>As at 31 March 2020</b>		<b>520.09</b>	<b>695.38</b>	<b>373.57</b>	<b>3.04</b>	<b>1,592.08</b>

	Notes	Reserves and Surplus			Other reserves	Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	Foreign currency translation reserve	
<b>Balance as at April 1, 2020</b>	<b>15</b>	<b>520.09</b>	<b>695.38</b>	<b>373.57</b>	<b>3.04</b>	<b>1,592.08</b>
Profit for the year		198.88	-	-	-	198.88
Other comprehensive income		(6.80)	-	-	(2.24)	(9.04)
<b>Total Comprehensive Income for the year</b>		<b>192.08</b>	<b>-</b>	<b>-</b>	<b>(2.24)</b>	<b>189.84</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends paid	38	(78.75)	-	-	-	(78.75)
Dividend distribution tax	38	-	-	-	-	-
<b>As at 31 March 2021</b>		<b>633.42</b>	<b>695.38</b>	<b>373.57</b>	<b>0.80</b>	<b>1,703.17</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.  
This is the consolidated statement of changes in equity referred in our report of event date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :

**Premium Transmission Private Limited**  
**Notes to consolidated financial statements**  
(All amounts are in Rupees millions, unless stated otherwise)

**4 (a) Property, plant and equipment**

	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
<b>Year ended 31 March 2020</b>									
<b>Gross carrying amount</b>									
Deemed cost as at 1 April 2019	275.72	282.82	609.23	16.39	13.55	10.85	9.66	1,218.22	1.31
Additions	-	3.18	108.27	0.77	1.53	0.75	5.88	120.38	139.65
Disposals	-	-	-	-	(0.66)	-	-	(0.66)	-
Transfer	-	-	-	-	-	-	-	-	(121.82)
Exchange differences	-	-	0.10	-	-	-	0.43	0.53	-
<b>Closing gross carrying amount</b>	<b>275.72</b>	<b>286.00</b>	<b>717.60</b>	<b>17.16</b>	<b>14.42</b>	<b>11.60</b>	<b>15.97</b>	<b>1,338.47</b>	<b>19.14</b>
<b>Accumulated Depreciation</b>									
Charge for the year	-	14.17	123.17	3.74	3.66	5.49	3.52	153.75	-
Disposals	-	-	-	-	(0.05)	-	-	(0.05)	-
Exchange differences	-	-	0.00	-	-	-	0.05	0.05	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>14.17</b>	<b>123.17</b>	<b>3.74</b>	<b>3.61</b>	<b>5.49</b>	<b>3.57</b>	<b>153.75</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>275.72</b>	<b>271.83</b>	<b>594.43</b>	<b>13.42</b>	<b>10.81</b>	<b>6.11</b>	<b>12.40</b>	<b>1,184.72</b>	<b>19.14</b>

	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
<b>Year ended 31 March 2021</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	275.72	286.00	717.60	17.16	14.42	11.60	15.97	1,338.47	19.14
Additions	-	4.05	75.84	1.95	-	3.38	16.57	101.79	66.46
Disposals	-	-	(1.03)	-	(2.98)	-	-	(4.01)	-
Transfer	-	-	-	-	-	-	-	-	(68.66)
Exchange differences	-	-	(0.10)	-	-	-	0.25	0.15	-
<b>Closing gross carrying amount</b>	<b>275.72</b>	<b>290.05</b>	<b>792.31</b>	<b>19.11</b>	<b>11.44</b>	<b>14.98</b>	<b>32.79</b>	<b>1,436.40</b>	<b>16.94</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	-	14.17	123.17	3.74	3.61	5.49	3.57	153.75	-
Charge for the year	-	14.59	120.02	3.05	3.49	4.50	4.30	149.95	-
Disposals	-	-	(0.33)	-	(1.57)	-	-	(1.90)	-
Exchange differences	-	-	-	-	-	-	0.03	0.03	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>28.76</b>	<b>242.86</b>	<b>6.79</b>	<b>5.53</b>	<b>9.99</b>	<b>7.90</b>	<b>301.83</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>275.72</b>	<b>261.29</b>	<b>549.45</b>	<b>12.32</b>	<b>5.91</b>	<b>4.99</b>	<b>24.89</b>	<b>1,134.57</b>	<b>16.94</b>

**Contractual obligations**

Refer to note 43(i) for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

**Premium Transmission Private Limited**  
**Notes to consolidated financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

**4 (b) Leases:**

This note provides information for leases where the Group is a lessee. The Group leases various offices, land, furniture and residential premises. Rental contracts are typically made for fixed periods of 1-9 years, but may have extension and/or termination options as described in (I).

**(i) Amounts recognised in balance sheet**

The balance sheet shows the following amounts relating to leases:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<u>Right-of-use assets:</u>			
Land	61.26	66.52	53.96
Office Premises	80.16	99.97	44.29
Residential Premises	-	0.30	1.52
Furnitures and Fixtures	0.36	0.49	0.62
	<b>141.78</b>	<b>167.28</b>	<b>100.39</b>

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<u>Lease Liabilities:</u>			
Current	24.03	25.62	15.89
Non-current	71.96	93.46	33.70
	<b>95.99</b>	<b>119.08</b>	<b>49.59</b>

Additions to right-of-use assets during the year ended 31 March 2021 were Nil (31 March 2020: INR 86.66 million.)

**(ii) Amounts recognized in the statement of profit and loss**

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<u>Depreciation charge of right-of-use assets</u>	31		
- Land		5.26	1.85
- Office Premises		23.24	19.76
- Residential Premises		0.30	1.22
- Furnitures and Fixtures		0.13	0.13
<b>Total</b>		<b>28.93</b>	<b>22.96</b>

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Interest expense (included in finance costs)	33	5.62	4.14
Expense relating to short-term leases (included in other expenses)	32	6.81	11.48
Expense relating to leases of low value assets that are not shown above as short term leases (included in other expenses)	32	0.54	0.26

The total cash outflow for leases for the year ended 31 March 2021 was INR 32.14 million ( 31 March 2020 INR 24.54 million)

**(I) Extension and termination options**

Termination options are included in a number of leases with respect to office premise and residential premise leases across the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor. No extension options have been exercised.



**Premium Transmission Private Limited**  
**Notes to consolidated financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

**4 (c) Intangible assets**

	Software	Technical Know-how	Total
<b>Year ended 31 March 2020</b>			
<b>Gross carrying amount</b>			
Deemed cost as at 1 April 2019	5.76	0.05	5.81
Additions	4.39	-	4.39
Exchange differences	0.07	-	0.07
<b>Closing gross carrying amount</b>	<b>10.22</b>	<b>0.05</b>	<b>10.27</b>
<b>Accumulated amortisation</b>			
Charge for the year	3.18	0.05	3.23
Exchange differences	0.03	-	0.03
<b>Closing accumulated amortization</b>	<b>3.21</b>	<b>0.05</b>	<b>3.26</b>
<b>Closing net carrying amount</b>	<b>7.01</b>	<b>-</b>	<b>7.01</b>

	Software	Technical Know-how	Total
<b>Year ended 31 March 2021</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	10.22	0.05	10.27
Additions	2.68	-	2.68
Exchange differences	0.05	-	0.05
<b>Closing gross carrying amount</b>	<b>12.95</b>	<b>0.05</b>	<b>13.00</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	3.21	0.05	3.26
Charge for the year	2.97	-	2.97
Exchange differences	0.03	-	0.03
<b>Closing accumulated amortization</b>	<b>6.21</b>	<b>0.05</b>	<b>6.26</b>
<b>Closing net carrying amount</b>	<b>6.74</b>	<b>-</b>	<b>6.74</b>

**Premium Transmission Private Limited**  
**Notes to consolidated financial statements**  
(All amounts are in Rupees millions, unless stated otherwise)

**5 Non-current loans**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits	23.66	26.88	20.47
<b>Total</b>	<b>23.66</b>	<b>26.88</b>	<b>20.47</b>

**Break up of security details**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	23.66	26.88	20.47
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	-	-
<b>Total:</b>	<b>23.66</b>	<b>26.88</b>	<b>20.47</b>
Less: Loss allowance	-	-	-
<b>Total</b>	<b>23.66</b>	<b>26.88</b>	<b>20.47</b>

**6 Income tax assets (net)**

	As at 31 March 2021	As at 31 March 2020
Opening balance		
- Current tax assets	62.45	44.40
- Current tax assets liabilities	-	-
Less: Current tax payable for the year	(103.44)	(47.73)
Add: Taxes paid	98.80	67.58
<b>Closing balance</b>	<b>57.81</b>	<b>62.45</b>
<b>Presented as :</b>		
Income-tax assets	64.28	62.45
Current tax liabilities	6.47	-

**7 Deferred tax assets (Net)**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Deferred Tax Liabilities</b>			
Property, plant and equipment and intangible assets	(21.62)	(28.43)	(35.05)
Right-of-use assets	(8.15)	(12.43)	(9.61)
<b>Total Deferred Tax Liabilities</b>	<b>(29.77)</b>	<b>(40.86)</b>	<b>(44.66)</b>
<b>Deferred Tax Assets</b>			
Provision for doubtful debts/advances	18.12	20.49	22.57
Expenses allowed on payment basis	16.79	21.56	13.51
Lease liabilities	9.61	13.76	10.41
<b>Total Deferred Tax Assets</b>	<b>44.52</b>	<b>55.81</b>	<b>46.49</b>
<b>Total</b>	<b>14.75</b>	<b>14.95</b>	<b>1.83</b>

**Changes in Deferred Tax Assets/ (Liabilities) in Profit and Loss credited/(charged) during the year**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Statement of profit and loss</b>		
Property, plant and equipment and intangible assets	6.81	6.62
Right-of-use assets	4.28	(2.82)
Provision for doubtful debts/advances	(2.37)	(2.08)
Expenses allowed on payment basis	(5.78)	7.63
Lease liabilities	(4.15)	3.35
<b>Total credited/ (charged) to profit or loss</b>	<b>(1.21)</b>	<b>12.70</b>
<b>Other comprehensive income</b>		
Remeasurement of defined benefit obligations	1.01	0.42
<b>Total credited/ (charged) to other comprehensive income</b>	<b>1.01</b>	<b>0.42</b>

**8 Other non-current assets**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Capital advances	3.67	16.34	18.71
Balances with government authorities	92.86	100.31	114.69
<b>Total</b>	<b>96.53</b>	<b>116.65</b>	<b>133.40</b>

**9 Inventories**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials	445.59	432.53	494.81
Work-in-progress	183.81	184.60	202.96
Finished goods	165.70	200.35	123.61
Stores and spares	49.20	47.48	34.33
<b>Total</b>	<b>844.30</b>	<b>864.96</b>	<b>855.71</b>

The above inventories includes goods-in-transit as follows:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials	11.74	6.47	1.73
Finished goods	20.37	1.89	31.87
	<b>32.11</b>	<b>8.36</b>	<b>33.60</b>

**Amounts recognised in profit or loss:**

During the year, the amount of INR 2.46 (net of reversals) (31 March 2020 INR 42.14) were credited (charged) to statement of profit and loss. These were recognised as an expense during the year and included in 'changes in values of inventories of work-in-progress and finished goods' in statement of profit and loss.

**10 Trade Receivables**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables from contracts with customers	1,214.71	1,084.56	1,189.36
Trade Receivables contracts with customers - related parties (Refer note 41)	2.81	0.44	6.23
Less: Loss allowance	(65.88)	(66.70)	(60.98)
<b>Total</b>	<b>1,151.64</b>	<b>1,018.30</b>	<b>1,134.61</b>

**Break-up of security details**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	1,217.52	1,085.00	1,195.59
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivable - credit impaired	-	-	-
<b>Total</b>	<b>1,217.52</b>	<b>1,085.00</b>	<b>1,195.59</b>
Less: loss allowance	(65.88)	(66.70)	(60.98)
<b>Total</b>	<b>1,151.64</b>	<b>1,018.30</b>	<b>1,134.61</b>

**11 Cash and cash equivalents**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with banks			
- in current accounts	305.55	73.00	57.31
- in EEFC accounts	20.61	0.01	13.72
Demand deposits with maturity of less than three months	-	170.00	-
Cash on hand	0.12	0.18	0.19
<b>Total</b>	<b>326.28</b>	<b>243.19</b>	<b>71.22</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**12 Other current financial assets**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Gratuity claim receivable	-	3.49	1.15
Interest accrued on deposits	-	2.76	-
Others*	1.19	3.63	1.93
<b>Total</b>	<b>1.19</b>	<b>9.88</b>	<b>3.08</b>

\* Others pertain to miscellaneous advances given.

**13 Other current assets**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Prepayments	8.06	13.63	9.06
Balances with government authorities	4.96	22.00	19.53
Advances to vendors	41.96	33.47	16.22
Advances to employees	1.13	1.32	1.17
<b>Total</b>	<b>56.11</b>	<b>70.42</b>	<b>45.98</b>

**14 Equity share capital**  
**Authorised share capital**

	Equity share capital	
	Number of shares	Amount
<b>As at 1 April 2019</b>	<b>26,000,000</b>	<b>260.00</b>
Increase during the year	-	-
<b>As at 31 March 2020</b>	<b>26,000,000</b>	<b>260.00</b>
Increase during the year	-	-
<b>As at 31 March 2021</b>	<b>26,000,000</b>	<b>260.00</b>

	Preference share capital	
	Number of shares	Amount
<b>As at 1 April 2019</b>	<b>3,450,000</b>	<b>34.50</b>
Increase during the year	-	-
<b>As at 31 March 2020</b>	<b>3,450,000</b>	<b>34.50</b>
Increase during the year	-	-
<b>As at 31 March 2021</b>	<b>3,450,000</b>	<b>34.50</b>

**(a) Movements in equity share capital (issued, subscribed and paid-up)**

Particulars	Number of shares	Amount
<b>As at 1 April 2019</b>	<b>22,500,000</b>	<b>225.00</b>
Change during the year	-	-
<b>As at 31 March 2020</b>	<b>22,500,000</b>	<b>225.00</b>
Change during the year	-	-
<b>As at 31 March 2021</b>	<b>22,500,000</b>	<b>225.00</b>

Includes five shares held as a nominee shareholder as follows:

Particulars	31 March 2021	31 March 2020	1 April 2019
Mr. Karan Thapar	5	5	5

**Terms/ rights attached to equity shares**

Equity Shares: The Company has 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.

**(b) Shares of the company held by holding company and entity controlled by ultimate controlling party**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Karun Carpets Private Limited (refer note (e))	15.87	-	-
DBH Mauritius Limited (Entity controlled by ultimate controlling party)	6.63	10.00	10.00
DBH International Private Limited (refer note (e))	-	12.50	12.50

**(c) Shares held by holding company and details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31 March 2021	
	Number of shares (in million)	% of holding
Karun Carpets Private Limited (refer note (e))	15.87	70.56
DBH Mauritius Limited	6.63	29.44

	As at 31 March 2020	
	Number of shares (in million)	% of holding
DBH International Private Limited	12.50	55.56%
DBH Mauritius Limited	10.00	44.44%

	As at 1 April 2019	
	Number of shares (in million)	% of holding
DBH International Private Limited	12.50	55.56%
DBH Mauritius Limited	10.00	44.44%

**(d) Aggregate number of shares issued for consideration other than cash**

The Company has not allotted any shares without payment being received in cash during 5 years immediately preceding the year ended 31 March 2021.

**(e) A Scheme of Amalgamation ('Scheme') was filed by Karun Carpets Private Limited ('KCPL') (one of the promoter owned group company) before the National Company Law Tribunal ('NCLT'), Chandigarh for amalgamation of DBH International Private Limited ('DBH') and two other companies into KCPL. The Scheme was approved by the NCLT vide order dated 4 December 2020 which has been filed with the Registrar of Companies on 23 December 2020 (which is also the effective date of the scheme). Post the scheme becoming effective KCPL is now the holding company**

**15 Other equity****Reserves and surplus**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
General Reserve (a)	695.38	695.38	695.38
Capital redemption reserve (b)	373.57	373.57	373.57
Retained earnings (c)	633.42	520.09	560.97
<b>Total</b>	<b>1,702.37</b>	<b>1,589.04</b>	<b>1,629.92</b>

**(a) General reserve:**

	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning and end of the year	695.38	695.38

**(b) Capital redemption reserve:**

	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning and end of the year	373.57	373.57

**(c) Retained earnings:**

	As at 31 March 2021	As at 31 March 2020
<b>Opening balance</b>	520.09	560.97
Net Profit for the period	198.88	67.21
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post employment benefit obligations, net of tax	(6.80)	0.41
Dividends paid [Refer note 38(b)]	(78.75)	(90.00)
Dividend distribution tax [Refer note 38(b)]	-	(18.50)
<b>Closing balance</b>	<b>633.42</b>	<b>520.09</b>

**Other Reserves**

	As at 31 March 2021	As at 31 March 2020
<b>Foreign currency translation reserve</b>		
Balance as at the beginning of the year	3.04	-
Movement for the year	(2.24)	3.04
<b>Balance at the end of the year</b>	<b>0.80</b>	<b>3.04</b>

**Nature and purpose of reserves:****i General reserve:**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

**ii Capital redemption reserve:**

The reserve was created in compliance to section 69 of The Companies Act, 2013. The Company was required to transfer a sum equal to the nominal value that is Rs 100 per share of the 5% non-cumulative redeemable preference shares which were redeemed during the year ended March 31, 2014.

**iii Foreign Currency Translation Reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

**16 Non-current borrowings**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Secured</b>			
<b>Term loans</b>			
From banks			
Foreign currency loan (EUR)*	224.78	315.06	90.96
<b>Total non-current borrowings</b>	<b>224.78</b>	<b>315.06</b>	<b>90.96</b>
Less: Current maturities of long-term debt (refer note 22)	112.16	93.48	32.95
Less: Interest accrued (refer note 22)	0.54	0.76	-
<b>Total non-current borrowings (as per balance sheet)</b>	<b>112.08</b>	<b>220.82</b>	<b>58.01</b>

\*Term loan from bank has been secured by exclusive charge on plant and machinery (both present and future)

**Terms of repayment:**

Repayable in 12 equal quarterly installment from July 23, 2020  
Repayable in 12 equal quarterly installment from February 28, 2019

**Interest rate:**

1.50% p.a  
2.00% p.a

**17 Other non-current financial liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Dealer deposits payable	44.24	11.11	10.01
<b>Total</b>	<b>44.24</b>	<b>11.11</b>	<b>10.01</b>

**18 Non-current provisions**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Other provisions:</b>			
Provision for warranty	6.81	8.55	10.08
<b>Total</b>	<b>6.81</b>	<b>8.55</b>	<b>10.08</b>

**Movement in Provision for Warranty**

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the short term after the reporting date. Assumptions used to calculate the provision for warranties were based on sales levels and technical evaluation carried out by the company based on current information available as regards claims, giving cognisance to the warranty period for certain products sold.

	As at 31 March 2021	As at 31 March 2020
Provision at beginning of the year	30.18	34.23
Add: Provision made during the year (net of reversals)	0.28	7.04
Less: Provision utilized	(5.30)	(11.09)
Provision at the end of the year	25.16	30.18
<b>Non-current (included in note 18)</b>	<b>6.81</b>	<b>8.55</b>
<b>Current (included in note 23)</b>	<b>18.35</b>	<b>21.63</b>

**19 Employee benefit obligations - Non Current**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Provision for employee benefits</b>			
Leave obligations (refer note 35)	26.65	30.02	29.86
Provisions for pension (refer note 35)	34.40	30.22	30.13
<b>Total</b>	<b>61.05</b>	<b>60.24</b>	<b>59.99</b>

**20 Current borrowings**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Loans repayable on demand</b>			
<b>Secured</b>			
<i>From banks</i>			
<i>In Indian rupees</i>			
Cash credit	59.69	25.98	19.73
Working capital demand loan*	150.30	380.35	379.05
<i>In foreign currency</i>			
Working capital demand loan	206.31	197.31	225.50
<b>Total current borrowings</b>	<b>416.30</b>	<b>603.64</b>	<b>624.28</b>
Less : Interest accrued	0.30	0.35	0.37
<b>Total current borrowings</b>	<b>416.00</b>	<b>603.29</b>	<b>623.91</b>

\* Working capital loans and cash credit from banks are secured by pari passu charge on current assets of the Company.

**Terms of repayment:**

Secured loans for working capital requirements are repayable in 180 days from the date of drawdown and carrying interest rate ranging 6.50% - 9.30% p.a.

The working capital loan in foreign currency is repayable in 90 days and carry interest rates Euribor plus 2.5%. This loan has been secured by the Holding Company, by board resolution covering 106% of the total limit which covers the principal and interest amount.

**Net debt reconciliation:**

This section sets out an analysis of net debt and the movements in net debt for the year ended.

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash and cash equivalents	326.28	243.19	71.22
Lease liabilities	(95.99)	(119.08)	(49.59)
Current borrowings	(416.30)	(603.64)	(624.28)
Non-current borrowings	(224.78)	(315.06)	(90.96)
	<b>(410.79)</b>	<b>(794.59)</b>	<b>(693.61)</b>

	Cash and cash equivalents	Lease obligations	Borrowings	Total
<b>Net debt as on 1 April 2019</b>	<b>71.22</b>	<b>(49.59)</b>	<b>(715.24)</b>	<b>(693.61)</b>
Cash flows	170.76	20.40	(187.22)	3.94
Acquisitions - leases	-	(89.89)	-	(89.89)
Foreign exchange adjustment	1.21	-	(15.50)	(14.29)
Interest paid	-	4.14	59.93	64.07
Interest expense	-	(4.14)	(60.67)	(64.81)
<b>Net debt as on 31 March 2020</b>	<b>243.19</b>	<b>(119.08)</b>	<b>(918.70)</b>	<b>(794.59)</b>

	Cash and cash equivalents	Lease obligations	Borrowings	Total
<b>Net debt as on 1 April 2020</b>	<b>243.19</b>	<b>(119.08)</b>	<b>(918.70)</b>	<b>(794.59)</b>
Cash flows	82.05	26.52	189.72	298.29
Foreign exchange adjustment	1.04	(3.43)	(18.71)	(21.10)
Interest paid	-	5.62	51.30	56.92
Interest expense	-	(5.62)	55.31	49.69
<b>Net debt as on 31 March 2021</b>	<b>326.28</b>	<b>(95.99)</b>	<b>(641.08)</b>	<b>(410.79)</b>

**21 Trade payables**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade Payables			
(a) Micro and small enterprises	220.34	178.44	137.07
(b) Other than micro and small enterprises			
i) Related parties ( <i>refer note 41</i> )	1.64	2.18	1.09
ii) Others	525.77	470.81	584.39
<b>Total</b>	<b>747.75</b>	<b>651.43</b>	<b>722.55</b>



**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end	220.11	178.28	135.44
Interest due to suppliers registered under the MSMED Act, on the principal amount due as at the year end and remaining unpaid as at the year end	-	0.12	0.16
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	579.76	228.42	720.62
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	6.33	1.95	4.87
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.82	0.05	1.45
Further interest remaining due and payable for earlier years	0.45	-	-

**22 Other current financial liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current maturities of non-current borrowings	112.16	93.48	32.95
Payables to employees	101.66	93.63	67.78
Capital creditors			
(a) Other than related parties	11.82	8.52	-
Interest accrued	0.84	1.11	0.37
Others*	3.02	0.81	7.89
<b>Total</b>	<b>229.50</b>	<b>197.55</b>	<b>108.99</b>

\* Others pertain to security deposits due and staff welfare fund.

**23 Current provisions**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Other Provisions</b>			
Provision for warranty	18.35	21.63	24.15
<b>Total</b>	<b>18.35</b>	<b>21.63</b>	<b>24.15</b>

**24 Employee Benefit obligations - Current**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Provision for Employee Benefits</b>			
Provisions for gratuity (refer note 35)	15.86	16.91	13.57
Provision for compensated absences (refer note 35)	17.67	13.36	12.45
Provisions for pension (refer note 35)	1.46	0.64	0.60
<b>Total</b>	<b>34.99</b>	<b>30.91</b>	<b>26.62</b>

**25 Other current liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance from customers	156.23	51.59	33.62
Statutory tax payables	21.13	12.53	53.99
<b>Total</b>	<b>177.36</b>	<b>64.12</b>	<b>87.61</b>

**Premium Transmission Private Limited**  
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(All amounts are in Rupees millions, unless stated otherwise)

**26 Revenue from operations**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from contracts with customers - at a point in time</b>		
Sale of products	4,072.30	4,273.99
Sale of services	6.83	4.45
<b>Other operating revenue</b>		
Export incentives*	12.45	15.29
Sale of scrap	17.11	20.58
<b>Total</b>	<b>4,108.69</b>	<b>4,314.31</b>

\* Export incentives include amounts received/receivable towards duty drawback on exports and Merchandise Exports from India Scheme (MEIS)

Revenue from sale of products relates to sale of gear boxes and gear motors and from services comprise of contracts for maintenance of gear boxes.

**27 Other income**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income from financial assets at amortised cost	2.49	7.51
Net gain on disposal of property, plant and equipment	0.03	1.26
Net foreign exchange differences	-	8.56
Liabilities written back to the extent no longer required	0.78	4.68
Others*	2.45	6.85
<b>Total</b>	<b>5.75</b>	<b>28.86</b>

\* Others include receipt towards insurance claim and rent income.

**28 Cost of materials consumed**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials at the beginning of the year	432.53	494.81
Add : Purchases	2,083.89	2,340.32
Less : Raw material at the end of the year	445.59	432.53
<b>Total cost of materials consumed</b>	<b>2,070.83</b>	<b>2,402.60</b>

**29 Changes in inventories of work-in-progress and finished goods**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>		
Finished goods	200.35	123.61
Work-in-progress	184.60	202.96
<b>Total opening balance</b>	<b>384.95</b>	<b>326.57</b>
<b>Closing balance</b>		
Finished goods	165.70	200.35
Work-in-progress	183.81	184.60
<b>Total closing balance</b>	<b>349.51</b>	<b>384.95</b>
<b>Total changes in inventories of work-in-progress and finished goods</b>	<b>35.44</b>	<b>(58.38)</b>

**30 Employee benefits expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	567.17	583.92
Contribution to provident and other funds	46.63	49.04
Gratuity (refer note 35)	8.51	7.46
Post-employment pension benefits (refer note 35)	0.53	0.43
Leave compensation	1.03	7.25
Staff welfare expenses	36.74	47.54
<b>Total</b>	<b>660.61</b>	<b>695.64</b>

**31 Depreciation and amortisation expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	149.95	153.75
Depreciation of right-of-use assets	28.93	22.96
Amortisation of intangible assets	2.96	3.22
<b>Total</b>	<b>181.84</b>	<b>179.93</b>

**32 Other expenses**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and consumables	81.81	90.79
Repairs and maintenance:		
- Buildings	4.09	7.45
- Machinery	34.61	37.26
- Others	16.63	22.03
Communication expense	11.38	12.04
Water and electricity charges	87.10	96.81
Rental charges	7.35	11.74
Rates and taxes	4.30	8.39
Legal and professional charges	40.84	48.21
Travel and conveyance expenses	18.53	47.48
Insurance	16.99	15.77
Printing and stationery	3.43	4.54
Warranty expenses	0.28	7.04
Provision for doubtful debts	-	4.55
Brokerage and Commission	1.21	1.60
After sales service	0.05	0.28
Freight outward	62.47	52.11
Advertising and sales promotion	6.39	13.77
Corporate allocation cost	7.62	9.55
Vehicle running and maintenance	0.90	1.59
Sub-contracting charges	146.42	141.89
Research and development	13.53	40.58
Contractual labour charges	123.66	142.87
Watch and Ward expenses	20.41	21.00
Director's sitting fees and commission	5.18	2.66
Electronic data processing Charges	24.66	23.03
Corporate Social Responsibility expenditure	5.35	2.07
Payments to auditors [refer note 32(a)]	3.84	5.22
Bank charges	5.25	5.53
Net loss on foreign currency transaction and translation	9.72	-
Miscellaneous expenses	31.74	37.55
<b>Total</b>	<b>795.74</b>	<b>915.40</b>

**32 (a) Details of payments to auditors**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<u>As auditor:</u>		
Statutory audit	2.00	2.00
Limited reviews and certifications	1.30	1.30
Tax audit	0.32	0.32
Other services	0.10	0.55
Out of pocket expenses reimbursed	0.01	0.25
<u>In other capacities:</u>		
Other Services	0.10	0.55
Out of pocket expenses reimbursed	0.01	0.25
<b>Total</b>	<b>3.84</b>	<b>5.22</b>

**33 Finance costs**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest and finance charges on lease liability and financial liabilities not at fair value through profit or loss	55.31	63.37
Net exchange loss on foreign currency borrowings	9.81	15.50
Other borrowing costs*	1.34	1.44
<b>Total</b>	<b>66.46</b>	<b>80.31</b>

\* Other borrowing costs includes bank guarantee and Letters of Credit discounting charges.

**34 Income tax expense**

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Profit and Loss section	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	103.44	47.73
Adjustments for current tax of prior periods	-	1.80
<b>Total current tax expense</b>	<b>103.44</b>	<b>49.53</b>
Deferred tax	1.20	(12.69)
<b>Total</b>	<b>104.64</b>	<b>36.84</b>

Other comprehensive income section	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax related to items recognised in OCI during the year	1.01	0.42
<b>Income tax (charged) / credited to OCI</b>	<b>1.01</b>	<b>0.42</b>

**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	303.52	104.05
Applicable tax rate	25.17%	29.12%
Computed tax expense	76.39	30.30
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
- Weighted deduction on research and development expenditure	-	(6.07)
- Effect of change in tax rate	2.03	0.31
- Expenses not allowable for tax purposes	4.14	1.46
- Tax losses for which no deferred income tax was recognised	13.40	15.87
- Difference in overseas tax rates	(1.11)	(1.31)
- Adjustments for current tax of prior periods	-	1.80
- Others	9.79	(5.52)
<b>Income tax expense</b>	<b>104.64</b>	<b>36.84</b>

**Unrecognised deferred tax assets**

Deferred tax assets on tax losses of the subsidiary in Germany have not been recognised because it is not probable that future taxable profit will be available against which these can be utilised. These tax losses do not expire under the local tax legislation in Germany.

35 Employee benefit obligations

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Leave obligations (Refer Note A)</b>	<b>44.32</b>	<b>43.38</b>	<b>42.31</b>
Non-current	26.65	30.02	29.86
Current	17.67	13.36	12.45
<b>Gratuity [Refer Note B (i)]</b>	<b>15.86</b>	<b>16.91</b>	<b>13.57</b>
Current	15.86	16.91	13.57
<b>Pension [Refer Note B (ii)]</b>	<b>35.86</b>	<b>30.86</b>	<b>30.73</b>
Non-current	34.40	30.22	30.13
Current	1.46	0.64	0.60

**A Leave obligations**

The leave obligations for cover the Group's sick leave and earned leave. The significant assumptions were as follows-

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.40%	6.50%
Salary growth rate	6.00%	6.00%
Attrition rate	12.00%	12.00%

**B Post-employment obligations**

**(i) Gratuity**

The Company has formed Premium Transmission Private Limited Employees Group Gratuity-Cum-Life Assurance scheme" to manage the gratuity obligations. The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company - Life Insurance Corporation of India. Every permanent employee is entitled to a benefit equivalent to 15/26 days of the last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity as well as level of under funding of the plan.

**(ii) Pension benefits**

The group operates defined benefit pension plan Germany. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service.  
The Group does not fund the pension liability through any funds. The pension plan provides benefits in case of retirement, early retirement, disability and death (50 %). The contractual retirement age is the statutory normal retirement age. The waiting period is 5 years.

**I The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :**

Particulars	Present value of obligation		Fair value of plan assets		Net amount	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
<b>1 April 2020</b>	<b>88.06</b>	<b>30.86</b>	<b>(71.15)</b>	<b>-</b>	<b>16.91</b>	<b>30.86</b>
Current service cost	7.58	-	-	-	7.58	-
Interest expense/(income)	5.35	0.53	(4.42)	-	0.93	0.53
<b>Total amount recognised in Profit or Loss</b>	<b>12.93</b>	<b>0.53</b>	<b>(4.42)</b>	<b>-</b>	<b>8.51</b>	<b>0.53</b>
<b>Remeasurements</b>						
- Returns on plan assets	-	-	(0.54)	-	(0.54)	-
- (Gain)/loss from change in financial assumptions	0.39	3.99	-	-	0.39	3.99
- Experience (gains)/losses	(3.85)	(0.18)	-	-	(3.85)	(0.18)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(3.46)</b>	<b>3.81</b>	<b>(0.54)</b>	<b>-</b>	<b>(4.00)</b>	<b>3.81</b>
Exchange differences	-	1.37	-	-	-	1.37
Employer contributions/premiums paid	-	-	(5.77)	-	(5.77)	-
Benefit payments	(12.08)	(0.71)	12.08	-	-	(0.71)
Mortality charges and taxes	-	-	0.21	-	0.21	-
<b>31 March 2021</b>	<b>85.45</b>	<b>35.86</b>	<b>(69.59)</b>	<b>-</b>	<b>15.86</b>	<b>35.86</b>

Particulars	Present value of obligation		Fair value of plan assets		Net amount	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
<b>1 April 2019</b>	<b>82.04</b>	<b>30.73</b>	<b>(68.46)</b>	-	<b>13.58</b>	<b>30.73</b>
Current service cost	6.66	-	-	-	6.66	-
Interest expense/(income)	5.80	0.43	(5.00)	-	0.80	0.43
<b>Total amount recognised in Profit or Loss</b>	<b>12.46</b>	<b>0.43</b>	<b>(5.00)</b>	-	<b>7.46</b>	<b>0.43</b>
<b>Remeasurements</b>						
- Returns on plan assets	-	-	0.27	-	0.27	-
- (Gain)/loss from change in financial assumptions	1.15	(1.25)	-	-	1.15	(1.25)
- Experience (gains)/losses	0.01	(0.17)	-	-	0.01	(0.17)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>1.16</b>	<b>(1.42)</b>	<b>0.27</b>	-	<b>1.43</b>	<b>(1.42)</b>
Exchange differences	-	1.69	-	-	-	1.69
Employer contributions/premiums paid	-	-	(5.73)	-	(5.73)	-
Benefit payments	(7.60)	(0.57)	7.60	-	-	(0.57)
Mortality charges and taxes	-	-	0.17	-	0.17	-
<b>31 March 2020</b>	<b>88.06</b>	<b>30.86</b>	<b>(71.15)</b>	-	<b>16.91</b>	<b>30.86</b>

II The net liability disclosed above relates to funded plans are as follows :

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
Present value of funded obligation	85.45	35.86	88.06	30.86	82.04	30.73
Fair value of plan assets	(69.59)	-	(71.15)	-	(68.46)	-
<b>Net liability position</b>	<b>15.86</b>	<b>35.86</b>	<b>16.91</b>	<b>30.86</b>	<b>13.58</b>	<b>30.73</b>

III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
Discount rate	6.40%	0.93%	6.50%	1.65%	7.40%	1.40%
Salary growth rate*	6.00%	- NA -	6.00%	- NA -	6.75%	- NA -
Withdrawal rate*:						
Age upto 30 years	12.00%	- NA -	12.00%	- NA -	12.00%	- NA -
Age 30-40 years	12.00%	- NA -	12.00%	- NA -	12.00%	- NA -
Age 41-50 years	12.00%	- NA -	12.00%	- NA -	12.00%	- NA -
Age above 50 years	12.00%	- NA -	12.00%	- NA -	12.00%	- NA -
Mortality rate	IALM (2012-14) ult	Richttafeln 2018 G	IALM (2006-08) ult	Richttafeln 2018 G	IALM (2006-08) ult	Richttafeln 2018 G
Post retirement pension increase rate	- NA -	2.00%	- NA -	2.00%	- NA -	2.00%
Expected average remaining working lives of employees (in	6.75	5.43	6.74	5.17	6.77	5.82

\*The pension plan is not dependent on the amount of salary pay-outs, for this reason no salary trend was applied in calculation of the defined obligation  
As all entitlements are statutory vested, hence withdrawal rates has not been considered in calculations of the present value of the vested benefits.

#### IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

##### (i) Gratuity - India

Assumption	Impact on defined benefit obligation	
	As at 31 March 2021	As at 31 March 2020
<b>Discount rate</b>		
1% decrease	4.83%	4.77%
1% increase	-4.41%	-4.35%
<b>Salary increment rate</b>		
1% decrease	-3.63%	-3.58%
1% increase	3.89%	3.84%
<b>Withdrawal rate</b>		
1% decrease	0.24%	0.22%
1% increase	-0.25%	-0.21%

##### (ii) Pension - Germany

Assumption	Impact on defined benefit obligation	
	As at 31 March 2021	As at 31 March 2020
<b>Discount rate</b>		
0.5% decrease	8.48%	8.23%
0.5% increase	-7.52%	-7.31%
<b>Post retirement pension increase rate</b>		
0.5% decrease	-6.62%	-6.35%
0.5% increase	7.30%	7.00%

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected future benefit payments:

	As at 31 March 2021	As at 31 March 2020
Between 1 year	23.99	23.72
Between 2 - 5 years	47.40	53.51
Between 6 - 10 years	56.66	54.35

#### V The major categories of plan assets are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Pooled assets with an insurance company	100%	100%	100%

VI The Group expects to contribute Rs. 5 million to the gratuity fund in the next year (31 March 2020 - Rs. 16.90 million)

#### C Defined contribution plans

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for eligible employees at 12% of basic and dearness allowance as per regulations. The contributions are made to registered provident fund administered by the government in India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The subsidiary in Germany has defined contribution plan for social security.

The expense recognised during the year ended 31 March 2021 towards defined contribution plan is Rs. 46.63 million (31 March 2020 Rs.49.04 million).

#### D Risk Exposure

Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

- i Asset Volatility :** All plan assets for gratuity are maintained in a trust managed by a public sector insurer viz.LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- ii Changes in bond yields :** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plans' bond holdings
- iii Life expectancy:** This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.
- iv Future salary increase and inflation risk:** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.
- v Asset-Liability mismatch risk:** Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements. The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

**36 Fair value measurements**

**Financial assets and liabilities at amortised cost**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b><i>Financial assets</i></b>			
Trade receivables	1,151.64	1,018.30	1,134.61
Cash and cash equivalents	326.28	243.19	71.22
Security deposits	23.66	26.88	20.47
Others	1.19	9.88	3.17
<b>Total financial assets</b>	<b>1,502.77</b>	<b>1,298.25</b>	<b>1,229.47</b>
<b><i>Financial liabilities</i></b>			
Borrowings	641.08	918.70	715.24
Lease liabilities	95.99	119.08	49.59
Trade payable	747.75	651.43	722.55
Capital creditors	11.82	8.52	-
Dealer deposits	44.24	11.11	10.01
Payable to employees	101.66	93.63	67.78
Others	3.02	0.81	7.89
<b>Total financial liabilities</b>	<b>1,645.56</b>	<b>1,803.28</b>	<b>1,573.06</b>

**i) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of trade receivables, security deposits, loans, cash and cash equivalents, trade payables, customer deposits received, borrowings, capital creditors, current maturities are considered to be the same as their fair values, due to their short-term nature.

The non-current borrowings from banks are at market interest rate and are not materially different from their fair value.

**37 Financial risk management**

This note explains the Group's exposure to financial risks and how these risks could affect the company's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's activities exposes it to market risk, liquidity risk and credit risk.

**A Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

*(i) Credit risk management*

For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Credit risk related to trade receivables arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly utilisation of credit limits is regularly monitored.

*(ii) Impairment of financial assets*

The Group has two types of financial assets that are subject to expected credit loss model:

- Trade receivables
- Loans (security deposits) carried at amortised cost

While cash and cash equivalents are also subject to impairment requirements under Ind-AS 109, there was no identified impairment loss.

*Trade receivables*

To measure the expected credit losses, trade receivables have been grouped based days past due. The expected credit loss rates are based on the payment profiles of sales over a period of 48 months before the reporting date and the corresponding historical credit losses 'experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

*Reconciliation of loss allowance provision - trade receivables*

	Amount
<b>Loss allowance as on 1 April 2019</b>	<b>(60.98)</b>
Changes in loss allowance	(4.55)
Exchange difference	(1.17)
<b>Loss allowance as on 31 March 2020</b>	<b>(66.70)</b>
Changes in loss allowance	0.68
Exchange difference	0.14
<b>Loss allowance as on 31 March 2021</b>	<b>(65.88)</b>



*Loans carried at amortised cost*

All loans are considered to have a low credit risk, and the loss allowance recognised during the period was based on specific identification basis. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term which is generally based on past experience and any specific instances noted to the contrary.

## B Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

### i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2021	Less than a year	1 - 3 years	More than 3 years
Borrowings	528.16	112.08	-
Lease liabilities	24.03	45.70	26.26
Trade payables	747.75	-	-
Other financial liabilities	117.34	44.24	-
<b>Total</b>	<b>1,417.28</b>	<b>202.02</b>	<b>26.26</b>

As at 31 March 2020	Less than a year	1 - 3 years	More than 3 years
Borrowings	696.78	199.25	21.56
Lease liabilities	25.62	48.27	45.19
Trade payables	651.43	-	-
Other financial liabilities	104.07	11.11	-
<b>Total</b>	<b>1,477.90</b>	<b>258.63</b>	<b>66.75</b>

As at 1 April 2019	Less than a year	1 - 3 years	More than 3 years
Borrowings	656.83	58.17	-
Lease liabilities	15.89	10.61	23.09
Trade payables	722.55	-	-
Other financial liabilities	76.04	10.01	-
<b>Total</b>	<b>1,471.31</b>	<b>78.79</b>	<b>23.09</b>

## C Market Risk

### (i) Foreign currency risk

Currency risk means the risk that the result or economic situation of the Group changes due to changes in exchange rates. The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

#### (a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of reporting period in INR (millions), are as follows

	As at 31 March 2021		
	USD	EURO	RMB
<b>Financial assets</b>			
Trade receivables	35.51	76.85	-
<b>Net exposure to foreign currency</b>	<b>35.51</b>	<b>76.85</b>	<b>-</b>
<b>Financial liabilities</b>			
Borrowings	-	224.98	-
Others	1.69	2.02	12.66
<b>Net exposure to foreign currency</b>	<b>1.69</b>	<b>227.00</b>	<b>12.66</b>

	As at 31 March 2020		
	USD	EURO	RMB
<b>Financial assets</b>			
Trade receivables	38.54	-	-
<b>Net exposure to foreign currency</b>	<b>38.54</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>			
Borrowings	-	315.06	-
Others	34.82	-	-
<b>Net exposure to foreign currency</b>	<b>34.82</b>	<b>315.06</b>	<b>-</b>

	As at 1 April 2019		
	USD	EURO	RMB
<b>Financial assets</b>			
Trade receivables	30.24	-	-
<b>Net exposure to foreign currency</b>	<b>30.24</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>			
Capital creditors	-	3.34	-
Borrowings	-	90.96	-
Others	2.30	-	-
<b>Net exposure to foreign currency</b>	<b>2.30</b>	<b>94.30</b>	<b>-</b>

The sensitivity of profit or loss to changes in foreign exchange rates with respect to year end payable / receivable balances is as follows :

	Impact on profit	
	As at 31 March 2021	As at 31 March 2020
Increase by 5%*		
USD	1.69	0.19
EURO	(7.51)	(15.75)
RMB	0.63	0.00
Decrease by 5%*		
USD	(1.69)	(0.19)
EURO	7.51	15.75
RMB	(0.63)	-

\*Holding all other variables constant

#### (ii) Interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During year ended 31 March 2021 and 31 March 2020, the Company's borrowings at variable rate were mainly denominated in EUR.

#### Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Variable rate borrowings	416.00	603.29	623.91
Weighted average interest rate	6.26%	7.21%	6.38%
% to total loans	65%	66%	87%
<b>Variable rate borrowings with exposure to interest rate risk</b>	<b>416.00</b>	<b>603.29</b>	<b>623.91</b>

An analysis by maturities is provided in note 37(B)(i) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	As at 31 March 2021	As at 31 March 2020
Interest rates - increase by 50 basis points	2.40	3.07
Interest rates - decrease by 50 basis points	(2.40)	(3.07)

### 38 Capital management

#### (a) Risk Management

The Group's objectives when managing capital are to: -safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and -Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

*Net debt (total borrowings and lease liabilities net of cash and cash equivalents)  
divided by  
Total 'equity' (as shown in the balance sheet)*

The gearing ratios were as follows:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Net debt	410.79	794.59	693.61
Total equity	1,928.17	1,817.08	1,854.92
<b>Net debt to equity ratio</b>	<b>21.30%</b>	<b>43.73%</b>	<b>37.39%</b>

#### (b) Dividends

	As at 31 March 2021	As at 31 March 2020
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March 2020 of Rs. 0.5 (31 March 2019 - Rs. 3) per fully paid share	11.25	67.50
Dividend Distribution Tax on final dividend	-	13.87
Interim dividend for the year ended 31 March 2021 of Rs. 3 (31 March 2020 - Rs. 1) per fully paid share	67.50	22.50
Dividend Distribution Tax on interim dividend	-	4.63
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 3 (31 March 2020 - Rs. 0.5 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	67.50	11.25
Dividend Distribution Tax on proposed dividend	-	-

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**39 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker.

The Group is into manufacturing of gear boxes, fluid coupling and geared motors which is considered as one reportable segment.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognised:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	3,320.52	3,460.54
Germany	405.07	340.39
Rest of the world	346.71	473.06
<b>Revenue from sale of product (refer note 26)</b>	<b>4,072.30</b>	<b>4,273.99</b>

Revenue of approximately INR 524.21 million (March 31, 2020- INR. 429.68 million) are derived from three major external customers. These revenues are attributable to the India segment.

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown below:

	For the year ended 31 March 2021	For the year ended 31 March 2020
India	1,199.69	1,296.52
Germany	100.33	81.63
	<b>1,300.02</b>	<b>1,378.15</b>

**40 Interests in other entities**

The details of group's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interest held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business	Ownership interest held by the group	
		31 March 2021	31 March 2020
Premium Stephan GmbH	Germany	100%	100%
Premium Motion Private Limited	India	100%	0%

Principal Business Activities: Premium Stephan GmbH offers a wide range of products in the area of gear units, geared motors, fluid couplings and lift machines while Premium Motion Private Limited has entered into manufacturing of Linear Actuators used in Solar Trackers.

**41 Related party transactions**

**A) Name of the related parties and nature of relationship**

**(i) Where control exists :**

	Parent entities
1	Karun Carpets Pvt. Ltd* w.e.f 23 December 2020
2	DBH International Private Limited upto 22 December 2020

**(ii) Subsidiaries**

Interests in subsidiaries are set out in note 40

**(iii) Other related parties with whom transactions have taken place during the year:**

	Entities in which KMP exercise significant influence
1	EICL Limited (India)
2	Greaves Cotton Limited (India)
3	DBH Consulting Limited (United Kingdom)
4	Aravali Sports and Cultural Foundation (India)
5	Melior Motion GMBH (Germany)
	Entities which exercise significant influence on the Company
1	DBH Mauritius Limited (Mauritius)
	Key Management Personnel
1	Mr. Karan Thapar – Chairman
2	Mr. Neeraj Bisaria – Managing Director & Chief Executive Officer

I	Key management personnel compensation*	As at	As at
		31 March 2021	31 March 2020
	Short term employee benefits	13.13	19.00
	<b>Total</b>	<b>13.13</b>	<b>19.00</b>

II	Transactions with related parties	As at	As at
		31 March 2021	31 March 2020
	<b>Sale of goods &amp; Services</b>		
1	Greaves Cotton Limited	1.73	0.45
2	Melior Motion GmbH	5.97	11.23
	<b>Purchase of goods</b>		
1	Greaves Cotton Limited	0.01	0.05
2	Melior Motion GmbH	6.90	1.96
	<b>Receipt of services and other charges</b>		
1	EICL Limited	9.00	9.55
2	Greaves Cotton Limited	0.03	0.08
3	DBH Consulting Limited	0.61	2.22
4	Melior Motion GmbH	7.90	3.63
	<b>Lease payments</b>		
1	Melior Motion GmbH	1.95	10.63
	<b>Donations made</b>		
1	Aravali Sports and Cultural Foundation	0.75	1.00
	<b>Dividend Paid</b>		
1	DBH International Private Limited	6.25	50.00
2	DBH Mauritius Limited	24.88	40.00
3	Karun Carpets Private limited	47.62	-

III	Outstanding balances from sale/purchases of goods	As at	As at	As at
		31 March 2021	31 March 2020	1 April 2019
	<b>Trade Payables</b>			
1	Greaves Cotton Limited	-	-	0.03
2	EICL Limited	1.34	0.78	-
3	Melior Motion GmbH	0.30	1.40	1.06
	<b>Total trade payables from related parties (note 21)</b>	<b>1.64</b>	<b>2.18</b>	<b>1.09</b>
IV	Outstanding balances from sale/purchases of goods	As at	As at	As at
		31 March 2021	31 March 2020	1 April 2019
	<b>Trade Receivables</b>			
1	Greaves Cotton Limited	0.67	0.03	0.29
2	Melior Motion GmbH	2.14	0.41	5.94
	<b>Total receivables from related parties (note 9)</b>	<b>2.81</b>	<b>0.44</b>	<b>6.23</b>
	<b>Lease liability</b>			
1	Melior Motion GmbH	-	1.85	12.08
	<b>Lease liability</b>	<b>-</b>	<b>1.85</b>	<b>12.08</b>

- B) (1) Transactions related to dividends were on the same terms and conditions that applied to other shareholders.  
(2) Goods were sold to fellow subsidiaries during the year based on the price lists in force and terms that would be available to third parties.  
(3) All other transactions were made on normal commercial terms and conditions and at market rate.  
(4) All outstanding balances are unsecured and repayable at cash.

\* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

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**42 Contingent Liabilities**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Claims against the Group not acknowledged as debts:			
- Central sales tax and VAT liability that may arise in respect of matters in appeal	81.54	22.66	22.66
- Excise duty liability that may arise in respect of matters in appeal	34.46	34.46	34.46
- Income tax liability that may arise in respect of matters in appeal (exclude interest and penalty to the extent not known)	83.01	61.22	57.02
<b>Total</b>	<b>199.01</b>	<b>118.34</b>	<b>114.14</b>

- (i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

**43 Commitments**

**i Capital commitments:**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	147.44	7.12	52.25

**44 Earning per share**

	As at 31 March 2021	As at 31 March 2020
Profit attributable to the equity holders of the company used in calculating basic earnings per share	198.88	67.21
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	22.50	22.50
<b>Basic and Diluted Earning per share</b>	<b>8.84</b>	<b>2.99</b>

- 45 The results for the year ended 31 March 2020 includes a restructuring provision pertaining to the subsidiary of Eur 300,000 (Rs. 23,618,723) for severance payments. It is a management decision to lead the Group into the future with flexible and performance oriented employees.

#### **46 First-time adoption**

##### **Transition to Ind AS**

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2021 the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 1 April 2019 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

##### **A. Exemptions and exceptions availed**

###### **I Exemptions availed**

###### **a) Deemed cost - Property, plant and equipment (PPE), intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

###### **b) Leases**

Ind AS 101 permits following practical expedients on application of Ind AS 116.

The following practical expedients have been applied to all the leases. The lease liability is measured as the present value of the remaining lease payments, discounted using the incremental borrowing rate applicable to each of the entities within the Group at the date of transition to Ind AS;

The right-of-use asset is measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of transition to Ind AS;

The following practical expedients have been applied on a lease on lease basis -

- (i) the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- (ii) elected not to apply provisions of Ind AS 116 on low value assets
- (iii) the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- (iv) the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- (v) the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

###### **II Exceptions applied**

###### **a) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based expected credit loss model.

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**Reconciliation of total equity as at 31 March 2020 and 1 April 2019**

	Description	Notes to first time adoption	As at 31 March 2020	As at 1 April 2019
	<b>Total Equity as per previous GAAP</b>		<b>1,802.70</b>	<b>1,841.22</b>
	<b>Ind-AS Adjustments [ Increase in Equity/ (Decrease in Equity)]</b>			
i.	Lessee accounting under Ind-AS 116	1	(5.01)	(3.16)
ii.	Provision for trade receivables under the expected credit losses model	2	(9.87)	(8.91)
iii.	Effect of change in market yields on actuarial plans outside India	4	10.25	8.93
iv.	Reversal of goodwill generated on transactions between shareholders	5	(9.56)	(23.57)
v.	Deferred tax on consolidation adjustments	6	24.42	36.89
vi.	Tax effect of above adjustments	6	4.14	3.52
	<b>Total Ind-AS adjustments</b>		<b>14.37</b>	<b>13.70</b>
	<b>Total Equity as per Ind-AS</b>		<b>1,817.07</b>	<b>1,854.92</b>

**Reconciliation of total comprehensive income for the year ended 31 March 2020**

	Description	Notes to first time adoption	As at 31 March 2020
	<b>Net profit after tax under previous GAAP</b>		<b>67.47</b>
	<b>Ind AS adjustments [Increase in profits / (decrease in profits)]</b>		
i	Lessee accounting under Ind-AS 116	1	(1.85)
ii.	Provision for expected credit losses on trade receivables	2	(0.96)
iii.	Remeasurements of post employment obligations	3	0.01
iv.	Effect of change in market yields on actuarial plans outside India	4	0.78
v.	Reversal of amortisation pertaining to goodwill generated on consolidation	5	14.01
vi.	Deferred tax on consolidation adjustments	6	(12.47)
vii.	Tax effects of above adjustments	6	0.20
	<b>Total of adjustments</b>		<b>(0.28)</b>
	<b>Net Profit after tax as per Ind-AS</b>		<b>67.19</b>
	<b>Other comprehensive income</b>		
i	Remeasurements of post-employment benefit obligations		(0.01)
ii	Deferred tax on above		0.42
iii	Exchange difference on translation of foreign operations		3.04
	<b>Total Other comprehensive income</b>	8	<b>3.45</b>
	<b>Total Comprehensive Income as per Ind AS</b>		<b>70.64</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2020**

	Previous GAAP	Adjustments	Ind AS
Net cash inflows from operating activities	272.64	(27.44)	300.08
Net cash outflows from investing activities	(114.10)	9.64	(123.74)
Net cash outflows from financing activities	13.43	19.01	(5.58)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>171.97</b>	<b>1.21</b>	<b>170.76</b>
Cash and cash equivalents as at 31 March 2020	71.22	-	71.22
Add/(less) : Exchange gain/(loss) on cash and cash equivalents	-	(1.21)	1.21
<b>Cash and cash equivalents as at 31 March 2020</b>	<b>243.19</b>	<b>(0.00)</b>	<b>243.19</b>

## Notes to first-time adoption

### 1 Lessee accounting under Ind-AS 116

As per Ind-AS 116, the Group recognises a lease liability and right-of-use asset for all contracts that are or contain a lease unless the lease contract pertains to short-term leases or leases for which the underlying asset is of low value. The lease liabilities are measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at 1 April 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities as on 1 April 2019 was 10% for Parent in India and 2.5% for the subsidiary in Germany. The associated right-of-use assets were measured at their carrying amounts as if Ind-AS 116 had been applied since the commencement date of the lease but using the lessee's incremental borrowing rate at the date of transition. The difference between the right-of-use assets and lease liabilities as at the transition date has been adjusted to retained earnings. The Group has recognised a lease liability of Rs. 49.59 million and right-of-use assets amounting to Rs. 46.43 million as at the transition date with the corresponding adjustment to retained earnings. In addition to this, the Group has also reclassified the carrying value of leasehold land to right-of-use assets amounting to Rs. 53.96 million. The Group has further recognised during the year ended 31 March 2020, lease liabilities and right-of-use assets amounting Rs. 86.66 million. This has resulted in a decrease in total equity as at 31 March 2020 by Rs. 5.01 million (1 April 2019 - Rs. 3.16 million) and decrease in the profit for the year ended 31 March 2020 by Rs. 1.85 million.

### 2 Trade receivables

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by Rs. 9.87 million (1 April 2019 - Rs. 8.91 million). Consequently, the total equity as at 31 March 2020 decreased by Rs. 9.87 million (1 April 2019 - Rs. 8.91 million) and profit for the year ended 31 March 2020 decreased by 0.96 million.

### 3 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability, are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2020 decreased by Rs. 0.01 million with corresponding decrease in other comprehensive income. There is no impact on the total equity as at 31 March 2020.

### 4 Effect of change in market yields to actuarial plans outside India

Ind AS 19 provides that post employment benefit obligations (both funded and unfunded) should be discounted using a discount rate determined by reference to market yields at the end of the reporting period on government bonds. However, subsidiaries domiciled outside India should use a rate determined by reference to market yields on high quality corporate bonds at the end of the reporting period unless there is no deep market in such bonds in which case, the market yields on government bonds of that country should be used.

Under the previous GAAP, the subsidiary domiciled in Germany had used the market yields on local government bonds.

As a result of using market yields on high quality corporate bonds, there has been an increase in equity by Rs.10.25 million (1 April 2019 - Rs. 8.93 million). Consequently, profit for the year ended 31 March 2020 has increased by Rs. 0.78 million.

### 5 Reversal of amortisation pertaining to goodwill generated on consolidation

Under Ind-AS, a transaction is a business combination when it results in acquiring control.

Under the previous GAAP, the parent Company has acquired 40% stake (in addition to 60% holding) in one of the subsidiaries on which goodwill was recognised; being the excess of net assets acquired over the consideration paid

The parent Company already had a control over the acquiree when the 60% stake was acquired. As such, the transaction of 40% acquisition is a transaction between two shareholders. In such transactions, the difference between the net assets acquired and the consideration paid is recognised in retained earnings.

As a result, the net WDV of goodwill amounting to Rs. 9.56 million (1 April 2019 - Rs. 23.57) has been recognised in retained earnings resulting in a decrease in equity.

This has also resulted in an increase in profit for the year ended 31 March 2020 by Rs. 14.01 million.

### 6 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

Further, under the previous GAAP, there was no guidance on treatment of deferred taxes on adjustments made on consolidation such as intercompany eliminations. The Group did not recognise the tax effect of such adjustments. These have now been recognised under Ind-AS which has resulted in a decrease in total equity by Rs. 24.42 million (31 March 2020: Rs. 36.89 million).

This has also resulted in decrease in profit for the year ended 31 March 2020 by Rs. 12.47 million.

### 7 Retained earnings

Retained earnings as at 1 April 2019 has been adjusted consequent to the above Ind AS transition adjustments.

### 8 Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income or expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "other comprehensive income" includes remeasurements of defined benefit plans and foreign exchange differences arising on translation of foreign operations. The concept of other comprehensive income did not exist under the previous GAAP.



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**47 Additional information required by Schedule III**

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
<b>Premium Transmission Private Limited</b>								
March 31, 2021	118.6%	2,286.35	130.3%	259.13	33.1%	(2.99)	134.9%	256.14
March 31, 2020	116.1%	2,108.96	157.3%	105.74	-29.3%	(1.01)	148.2%	104.73
April 1, 2019	113.9%	2,112.73						
<b>Subsidiaries</b>								
<b>Indian</b>								
<b>Premium Motion Private Limited</b>								
March 31, 2021	1.0%	18.99	-0.5%	(1.01)	0.0%	-	-0.5%	(1.01)
March 31, 2020	0.0%	-	0.0%	-	0.0%	-	0.0%	-
April 1, 2019	0.0%	-						
<b>Foreign</b>								
<b>Premium Stephan Gmbh</b>								
March 31, 2021	-6.6%	(126.62)	-34.9%	(69.47)	66.9%	(6.05)	-39.8%	(75.52)
March 31, 2020	-2.8%	(51.64)	-85.6%	(57.50)	129.3%	4.46	-75.1%	(53.04)
April 1, 2019	0.4%	6.55						
<b>Sub Total</b>								
March 31, 2021	113.0%	2,178.72	94.9%	188.65	100.0%	(9.04)	94.6%	179.61
March 31, 2020	113.2%	2,057.32	71.8%	48.24	100.0%	3.45	73.1%	51.69
April 1, 2019	114.3%	2,119.28						
<b>Intercompany elimination &amp; consolidation adjustments</b>								
March 31, 2021	-13.0%	(250.55)	5.1%	10.23	0.0%	-	5.4%	10.23
March 31, 2020	-13.2%	(240.24)	28.2%	18.97	0.0%	-	26.9%	18.97
April 1, 2019	-14.3%	(264.36)						
<b>Grand Total</b>								
March 31, 2021	100.0%	1,928.17	100.0%	198.88	100.0%	(9.04)	100.0%	189.84
March 31, 2020	100.0%	1,817.08	100.0%	67.21	100.0%	3.45	100.0%	70.66
April 1, 2019	100.0%	1,854.92						

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**48** The spread of COVID-19 pandemic has severely impacted businesses in many countries including India and Germany and there has been severe disruption to regular business operations due to the extended lockdown. The Company has made detailed assessment of its liquidity position and the recoverable values of its assets and has concluded that there are no material adjustments required in the consolidated financial statements. However the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The actual impact of this pandemic might be different from that estimated as at the date of approval of these financial statements. The Company continues to monitor any material changes to future economic conditions.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of  
Premium Transmission Private Limited**

**Vivian Pillai**  
Partner  
Membership No.: 127791

**Neeraj Bisaria**  
Managing Director &  
Chief Executive Officer  
DIN: 02833292

**Bidadi Anjani Kumar**  
Director  
DIN: 00022417

**Kaustubh Roplekar**  
Chief Financial Officer

**Nisha Sakaria**  
Company Secretary &  
GM-Corporate Functions

Place:  
Date:

Place :  
Date :