



ECONOMY • EXCELLENCE • ETHICS

ANNUAL REPORT

OF

MERINO INDUSTRIES LIMITED

FOR

FINANCIAL YEAR 2020-21

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Directors Report

To
The Members,
Merino Industries Limited

Your Directors have pleasure in presenting the Fifty-Sixth Annual Report on the business and operations of the company together with the audited financial statements for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

The financial highlights of your Company for the financial year ended 31st March 2021 are as under:

(Amount ₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Revenue from Operations	1,29,688.30	1,47,372.22
Other Income	4,197.51	1,849.76
Total Revenue	1,33,885.81	1,49,221.98
Earnings before Interest, Tax & Depreciation and Amortization (EBITDA)	25,177.77	23,895.06
Less: Depreciation and Amortization expense	5,668.62	5,878.49
Earnings before Interest & Tax (EBIT)	19,509.15	18,016.57
Less: Finance Cost	1,816.97	2100.31
Profit before Tax (PBT)	17,692.18	15,916.26
Less: Tax Expense	4,506.35	2,972.79
Profit after Tax (PAT)	13,185.83	12,943.47

STATE OF COMPANY'S AFFAIRS, SEGMENT-WISE PERFORMANCE AND FUTURE OUTLOOK

Your Company recorded a total revenue of ₹ 1,33,885.81 Lakhs as compared to ₹ 1,49,221.98 Lakhs in the previous year. The profit before tax was ₹ 17,692.18 Lakhs as compared to ₹ 15,916.26 Lakhs in the previous year. The Company's net profit after taxes stood at ₹ 13,185.83 Lakhs as against ₹ 12,943.47 Lakhs in the previous year.

Your Company operates mainly in the following three segments, namely, manufacturing of Laminates, Potato Flakes and Panel Products & Furniture. Though business activities of your Company also involve trading in similar and allied products including Acrylic solid surface, with the laminates segment being the most dominant one both in terms of profit and revenue. Increase in profits in laminates can be attributed to the growth in exports and domestic sales.

The Directors and Management of your Company expect steady growth and progressive results in the coming years.

COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has created a significant disturbance and economic slowdown globally. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, physical distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

While we look into the scenario of India, the second wave of the Coronavirus explosion in the country has significantly gained momentum. As per the recent reports, Maharashtra alone accounts for more than 58 percent of the total active cases in the country. As per the latest Health Ministry data, India's total Covid-19 active case load has reached 2,19,262, comprising 1.93 percent of the total infections. Due to a spike in Covid-19 cases, a few states have imposed a lockdown, travel bans and night curfew in some areas.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. The Unlock's during the Covid phase with more ease in restrictions were being announced considering the situation of pandemic from time to time. Due to the second wave of infection in the country, several state governments like Uttar Pradesh and Delhi have announced partial lockdowns in April 2021 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. Further, during March 2020 / April 2020, there has been significant volatility in oil prices, resulting in uncertainty and reduction in oil prices.

In assessing the recoverability of Company's assets such as investments, loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information.

In enforcing social distancing to contain the spread of the disease, the Company's offices and client offices all over the world have been operating with minimal or no staff for extended periods of time. To effectively respond to and manage the Company's operations through this crisis, the Company triggered its business continuity management program. In keeping with its employee-safety-first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being.

The Company's teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to an entirely new 'work-from-home' model. Proactive preparations were done at the Company's work locations during this transition to ensure the offices were safe. Majority of the production workforce were enabled in a rapid manner to work remotely and securely, thus ensuring that client commitments were not materially compromised.

DIVIDEND AND RESERVES

Your company has a trend of declaring dividend on regular basis. Continuing with the trend and after considering the financial performance of the company, the Directors have recommended for declaration of dividend of 60% (Re. 6/- per equity share) on September 03, 2021. The dividend shall be payable post shareholders' approval at the 56th Annual General Meeting.

During the Financial year under review, no amount has been transferred to any reserve of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The unclaimed and unpaid interim dividend amounting to ₹ 2,08,049/- relating to the financial year 2013-2014 were due for transfer on 17.12.2020 to the Investor Education and Protection Fund established by the Central Government. This was transferred on 14.12.2020 on finalization of the mode of payment/deposit.

Further, the unclaimed and unpaid interim dividend amounts relating to the financial year 2014-2015 are due for transfer on 14.09.2021 to the Investor Education and Protection Fund established by the Central Government.

SHARE CAPITAL

During the financial year under review, the paid-up equity share capital as on 31st March, 2021 stood at ₹ 1127.93 Lakh. During the year under review the Company neither issued any share with differential voting rights nor granted any stock option or sweat equity.

SUBSIDIARY, ASSOCIATE OR JOINT VENTURES.

During the year under review, the Company was having One (1) Subsidiary Company, i.e, Merino Panel Products Limited which was merged with your company vide NCLT Order no. M A NO 159/2021 dated 29/09/2020. Thereafter there are no Subsidiary, Associate or Joint Venture companies.

As per the said composite scheme of arrangement except Real Estate Business Remaining Undertaking of the Group Company Merino Exports Private Limited was merged with your company and also as per the said scheme except IT & Software Business Remaining Undertaking of the Group Company Merino Services Limited was merged with your company. Thereafter no subsidiary, associate or joint venture companies of the company subsists.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's Operation in future.

MATERIAL CHANGES AND COMMITMENTS

During the year under review the Company has only one Subsidiary Company, i.e, Merino Panel Products Limited which was merged with your company as per Composite Scheme of Arrangement approved vide NCLT Order No. M A

NO 159/2021 dated 29/09/2020. As per the said composite scheme of arrangement as approved by NCLT vide their said Order, Remaining undertakings of two Group Companies i.e. Merino Exports Private Limited and Merino Services Limited were also merged with your company.

Further pursuant to the composite scheme of arrangement as approved by NCLT vide their said Order, 41,97,179 Equity Shares having the face value of ₹ 10 each has been allotted to the shareholders of the merged Companies i.e. Merino Panel Products Limited, Merino Exports Private Limited and Merino Services Limited.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 (“the Act”) read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in form no. MGT-9, for the Financial Year 2020-21 has been given with this Report as **Annexure 1**.

NUMBER OF BOARD MEETINGS

During the year under review, seven (7) meetings of the Board of Directors of the Company were held as per below mentioned details:

Date of Board Meeting	Directors eligible to attend	Directors present
29.06.2020	10	10
25.08.2020	10	10
30.09.2020	10	9
26.11.2020	10	8
11.01.2021	14	13
27.02.2021	14	13
31.03.2021	14	14

The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013. Details of Board Meeting attended by each Director are as under:

S. No.	DIN No.	Name of Director	Eligible to Attend	Attended	Attendance at Previous AGM
1	00061111	SHRI PRASAN LOHIA	7	7	Yes
2	00063274	SHRI PRAKASH LOHIA	7	7	Yes
3	00063278	SHRI MADHUSUDAN LOHIA	7	7	Yes
4	00063290	SHRI RUP CHAND LOHIA	7	7	Yes
5	00109269	SHRI GAUTAM BHATTACHARJEE	7	6	No
6	00127775	SHRI MANOJ LOHIA*	3	3	No
7	00127790	SHRI NRIPEN KUMAR DUGAR	7	6	Yes
8	00127797	SHRI RUCHIRA LOHIA	7	7	Yes
9	00154013	SHRI BIKASH LOHIA	7	5	Yes
10	00154027	SHRI DEEPAK LOHIA*	3	3	No
11	02848624	SHRI SISIR KUMAR CHAKRABARTI	7	7	No
12	03124712	SHRI PRABAL KUMAR SARKAR**	3	3	No
13	08199055	SHRI BAMA PRASAD MUKHOPADHYAY	7	7	No
14	08332261	SHRI ANURAG LOHIA*	3	2	No

(*Appointed as Whole Time Director w.e.f. 01st December, 2020)

(**Appointed as Independent Director w.e.f. 01st December, 2020)

Further the Independent Directors of the company have conducted one Meeting among themselves to evaluate the performance of the Board and Directors of the company as on 30th September, 2020.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

During the Financial Year 2019-20 your company has neither taken any Loans nor given any Guarantees or made any Investments covered under the provisions of Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review, the company has underwent merger proceedings wherein the subsidiary of the company, i.e., Merino Panel Products Limited got merged with the company pursuant to NCLT Order no. M A NO 159/2021 dated 29/09/2020. Due to the said order there will not be any separate consolidation of accounts of the company. Apart from these there were no any material changes affecting the financial position of the Company occurring between the end of the financial year to which these financial statements relate and the date of this report, nor any significant or material orders were passed by regulators or authorities impacting the going concern status and the Company's operations in future.

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 2** and is attached to this report.

RISK MANAGEMENT SYSTEM

Risk Management being an integral part of the Company's operating agenda, the prime objectives of the risk management framework of the company is to ensure better understanding of the risk profile, efficient management of the contingencies and identify and pursue sound business opportunities without any exposure to unacceptable risk. The risk management framework of Merino group comprises Risk Management Process and Risk Management Structure.

The Company's attitude towards addressing business risks is comprehensive and includes review of such risks at periodic intervals and a framework for mitigation and reporting mechanism of such risks. Towards accomplishment of its objective for proper implementation and governance of Risk Management Policy and Structure the Company has sketched

its Project Objectives, Project Milestones and Project Charter.

Preparation of Statements of Risk Identification and Risk Prioritisation as well as Risk Library for entity-wide risks have been completed. Mitigation plans are being developed for prioritised risks.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

With your approval by way of Postal Ballot declared on 28.12.2020, Shri Manoj Lohia (DIN: 00127775), Shri Deepak Lohia (DIN: 00154027) and Shri Anurag Lohia (DIN: 08332261) were appointed as Whole-time Directors for a period of three years, effective 01.12.2020. Further, with your approval by the said Postal Ballot, Shri Prabal Kumar Sarkar (DIN: 03124712) was appointed as Independent Director, effective 01.12.2020 pursuant to the provisions of the Act and the rules made thereunder to hold office up to the 60th Annual General Meeting of the Company in the calendar year 2025.

Shri Prasan Lohia (DIN 00061111), Whole-time Director and Ms. Ruchira Lohia Whole-time Director (DIN: 00127797), retire at this Annual General Meeting and being eligible offer themselves for re-election.

The Board appointed Shri Sachin Selot as Chief Financial Officer on 11.01.2021.

Further, the Board accepted the resignation of Ms. Vinamrata Agrawal as Company Secretary with effect from 15.01.2021 and appointed Shri Bala Ji as Company Secretary with effect from 09.07.2021.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company maintains apposite system of internal financial controls for ensuring adequacy and operating effectiveness of financial controls in the Company. It also ensures safeguard of assets, particularly fixed assets, prevention and detection of frauds and errors and also ensures accuracy, completeness and timely preparation of the accounting records. Your Company has developed Entity Level Controls as well as Process Level Controls framework for monitoring of overall control indicators for Merino Group.

Internal Financial controls are monitored continuously to identify control gaps and initiation of remedial actions for mitigation of the gaps so identified by the management.

DEPOSITS

Your Company has neither accepted nor renewed any deposits during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS

Dr. Gautam Bhattacharjee (DIN 00109269), Shri Prabal Kumar Sarkar (DIN: 03124712), Shri Sisir Kumar Chakrabarti

(DIN: 02848624) and Shri Bama Prasad Mukhopadhyay (DIN 08199055), Independent Directors of the Company have submitted declarations of their independence to the Board regarding their fulfillment of all the requirements as stipulated in Section 149(6) of the Act and the relevant rules.

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors

M/s. Singhi & Company, Chartered Accountants (FRN 302049E), was appointed with your approval at the 55th AGM to hold such office till the conclusion of the 57th AGM. They have audited the financial statements of the Company for the Financial Year under review. The observations of Statutory Auditors in their Report read with relevant Notes to Accounts are self-explanatory and therefore, do not require further explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Rules framed thereunder, the Company appointed M/s. A L & Associates, a firm of Company Secretaries in Practice (FRN: 037000) to conduct the secretarial audit of the Company. The secretarial audit report for the Financial Year 2020-21 is included as **Annexure 3** and forms an integral part of this report.

Cost Auditors

In accordance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Board on recommendation of audit committee has approved the appointment of M/s Rajendra Singh Bhati & Co. Cost Accountants, as Cost Auditors for the financial year ended 31st March 2022. They have furnished a Certificate to the effect that their appointment, if made, would be in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014. Further, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by Members at the ensuing AGM.

COMPOSITE SCHEME OF ARRANGEMENT (PURSUANT TO SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013)

A petition for approval of composite scheme of arrangement under sections 230 to 232 read with Section 234 of Companies Act, 2013 and other applicable provisions of the Companies Act 2013, amongst your Company, its subsidiary Merino Panel

Products Limited (MPPL), Merino Exports Private Limited (MEXPL) and Merino Services Limited (MSL) was filed with National Company Law Tribunal (NCLT) on 4th October, 2019 after approval of the respective Board of Directors of the company on 20th August 2019. The scheme was approved by the shareholders of your company on 20th February 2020. A petition under Section 230 to 232 of the Companies Act, 2013 was filed with National Company Law Tribunal, Kolkata Bench (NCLT) on 13.03.2020.

The Order of the National Company Law Tribunal, Kolkata Bench (NCLT) was uploaded in their website on 29.09.2020 and modified on 05.10.2020 and 13.10.2020 respectively approving the Composite Scheme of Arrangement between Merino Exports Private Limited (MEXPL) and Merino Properties Private Limited (MPL) and Merino Services Limited (MSL) and Merino Consulting Services Limited (MCSL) and Merino Panel Products Limited (MPPL) and Merino Industries Limited (MIL) and the Company had received a certified copy of the NCLT Order on 12.02.2021. As per the scheme various acts, deeds, transfers would take place "without any further act, instrument or deed".

The said scheme provides for the appointed date as 1st April, 2019, merger of MPPL with your company, transfer of certain undertakings of MEXPL and MSL to your company and the transfer of the real estate undertaking of MEXPL and IT and Software Development undertaking of MSL to Merino Properties Private Limited and Merino Consulting Services Limited respectively. During the year under review your company has discharged the consideration for transfer of undertakings by issuance of equity shares of the transferee companies to the existing shareholders of the transferor companies at approved ratios and transfer of assets and liabilities of the transferor company and undertaking of the related company, to the related transferee company.

The appointed date has been set as 01.04.2019 as per the Composite Scheme of Arrangement.

The filing of Form INC-28 with the Ministry of Corporate Affairs has taken place on the due date i.e. 28.02.2021 of filing of such form. The effective date had been set as 01.03.2021 for implementation of the Order of the National Company Law Tribunal for the Composite Scheme of Arrangement.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) activities undertaken by your Company can be broadly categorised into three areas, viz., Educational & Empowerment Programme, Healthcare & Holistic Living Programme and Activities under National Mission Programme.

Educational and Empowerment Programme include

Education, Mid-day meal, Women empowerment. Under the Healthcare & Holistic Living Programme facilities are provided to the poor families. The activities under the National Mission Programme include Swachh Bharat Mission.

S. No.	Name of Director	Designation	Meetings eligible	Meetings attended
1	Dr. Gautam Bhattacharjee	Independent Director	1	1
2	Shri Prakash Lohia	Managing Director	1	1
3	Shri Prasan Lohia	Director	1	1

Your Company has in place a CSR Policy which lays down CSR activities to be undertaken by your Company. The CSR activities undertaken by your Company are based on the approved CSR policy and there has been no material change in the CSR Policy of the Company.

Further during the year under review CSR Committee has conducted one meeting which were held on 31st March, 2021.

Your Company has carried out CSR activities and spent the requisite amount as required by law through group managed registered trusts, authorised to carry out such activities as stipulated vide the provisions of Section 135 read with Schedule VII to the Act and the group CSR policy.

The CSR initiatives undertaken by your Company, along with other details for FY 2020-21 forms part of Annual Report on Corporate Social Responsibility as **Annexure – 4**.

AUDIT COMMITTEE

Your Company has an Audit Committee at the Board level with terms of reference specified by the Board and with the powers and the role that are in accordance with Section 177 of the Act read with Rule 6(ii) of the Companies (Meetings of Board and its Powers) Rules 2014.

As on 31st March 2021, Audit Committee comprised five Directors viz. Shri Prabal Kumar Sarkar as Chairman, Dr. Gautam Bhattacharjee (DIN 00109269), Shri Sisir Kumar Chakrabarti (DIN 02848624), Shri Bama Prasad Mukhopadhyay (DIN 08199055), Independent Directors and Shri Prasan Lohia (DIN 00061111), Whole-time Director as members of the Committee. The Committee monitors various issues which include the accounting and financial reporting process of the Company, maintenance of adequate internal financial controls, audit of the Company's financial statements, the appointment, independence and performance of the statutory as well as the internal auditors and the Company's risk management policies. Upon invitation the Internal Auditors, Statutory Auditors of the Company attend meetings of the Audit Committee. The Company Secretary acts as the

Your Company has constituted a Corporate Social Responsibility ('CSR') Committee as per the provisions of Section 135 of the Companies Act, 2013. Details of the said committee is provided below:

Secretary of the Audit Committee.

The Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same, overseeing the performance of the internal auditors.

During Financial year 2020-21, five meetings of the Audit Committee were held as per below mentioned details which were in due compliance with the provisions of the Companies Act, 2013.

Details of Audit Committee Meeting attended by each member are as under:

Date of Board Meeting	Directors eligible	Directors present
29.06.2020	4	4
25.08.2020	4	4
26.11.2020	4	3
27.02.2021	5	5
31.03.2021	5	5

S. No.	Name of Director	Meetings eligible	Meetings attended
1	Shri Prabal Kumar Sarkar	2	2
2	Dr. Gautam Bhattacharjee	5	4
3	Shri Bama Prasad Mukhopadhyay	5	5
4	Shri Sisir Kumar Chakrabarti	5	5
5	Shri Prasan Lohia	5	5

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has framed a policy which enshrines a framework in relation to remuneration of Directors and Key Managerial Personnel of the Company by laying down criteria, selection, evaluation and appointment of the same.

Your Company has a Nomination and Remuneration Committee in accordance with Section 178 of the Act read with Rule 6(ii) of the Companies (Meetings of Board and its Powers) Rules 2014.

The Committee comprised Dr. Gautam Bhattacharjee (DIN 00109269) (Chairman of the committee), Shri Sisir Kumar Chakrabarti (DIN 02848624) and Shri Bama Prasad Mukhopadhyay (DIN 08199055), Independent Directors as members of the Committee. Shri Bala Ji being the Company Secretary of the Company acts as the Secretary to the Committee.

During Financial year 2020-21, three meetings of the Nomination and Remuneration Committee were held as per below mentioned details which were in due compliance with the provisions of the Companies Act, 2013.

Details of Nomination and Remuneration Committee Meeting attended by each member are as under:

Date of Board Meeting	Directors eligible	Directors present
29.06.2020	3	3
26.11.2020	3	2
11.01.2021	3	3

S. No.	Name of Director	Meetings eligible	Meetings attended
1	Dr. Gautam Bhattacharjee	3	2
2	Shri Bama Prasad Mukhopadhyay	3	3
3	Shri Sisir Kumar Chakrabarti	3	3

STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company has a Stakeholders Relationship Committee to oversee, monitor and approve transfer of securities and resolve grievances of the shareholders.

The Committee comprised Dr. Gautam Bhattacharjee (DIN 00109269) (Chairman of the Committee), Independent Director and Shri Prasan Lohia (DIN 00061111), Whole-time Director. Shri Bala Ji being the Company Secretary of the Company acts as the Secretary to the Committee.

During Financial year 2020-21, three meetings of the Stakeholders Relationship Committee were held as per below mentioned details which were in due compliance with the provisions of the Companies Act, 2013.

Details of Stakeholders Relationship Committee Meeting

attended by each member are as under:

Date of Board Meeting	Directors eligible	Directors present
23.12.2020	2	2
27.02.2021	2	2
31.03.2021	2	2

S. No.	Name of Director	Meetings eligible	Meetings attended
1	Dr. Gautam Bhattacharjee	3	3
2	Shri Prasan Lohia	3	3

No grievance was reported to the Committee during the year under review.

VIGIL MECHANISM

As per provisions of Section 177 of the Act and Rules framed thereunder your Company has formulated and established a vigil mechanism to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

This policy is to establish the said mechanism for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and is displayed on your Company's website.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all contracts/arrangements/ transactions entered into by your Company with related parties under Section 188(1) of the Act were in the ordinary course of business and on an arm's length basis.

Further there were no materially significant related party transactions as prescribed under Section 188(1) of the Companies Act, 2013, made by the Company with related parties. However, the transactions with related parties entered during the year under review, are disclosed in the Note 51 of the Notes to the Financial Statements of your Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the

requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees, whether permanent, contractual, temporary and trainees are covered under this Policy.

The company has already in place the Internal Complaints Committee which was re-constituted on 22nd May, 2019 to, inter-alia, prevent discrimination and sexual harassment against women at the Company's workplace ensuring support to the victimized and termination of harassment. The Committee recommends appropriate disciplinary action against the guilty party.

Further no complaint has been received by the committee during the year under review.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 a statement showing disclosures pertaining to Remuneration and other details of employees drawing remuneration in excess of the limits is furnished in **Annexure 5** forming part of the Directors' Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with applicable Secretarial Standards (SS) issued by Institute of Companies Secretaries of India i.e. SS-1 & SS-2 on meetings of the Board of Directors and General Meetings, respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

1. that in the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable accounting standards were followed, and there had been no material departures;
2. that appropriate accounting policies were selected and applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs as at 31st March 2021 and of the profit of your Company for the financial year ended 31st March 2021;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

4. that the annual accounts for the financial year ended 31st March 2021 have been prepared on a going concern basis;
5. that the Directors have laid down Internal Financial Controls which were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
6. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

APPRECIATION

Your Board acknowledges the support and co-operation received from all its stakeholders including our dear shareholders as well as regulatory authorities of the Central Government and all State Governments in India as they endeavor to create an enabling environment for industry and commerce to prosper.

Your Board feels honoured to state that the brand "Merino" signifies excellence and reliability of products and services in Indian as well as overseas markets and place on record its sincere gratitude to all stakeholders for their continued association over the years towards the successful journey of the Company. Our employees are our biggest strength and gratefully acknowledge their contribution to the Company in achieving its objectives to serve our customers.

The Directors wish to place on record their appreciation to the Company's Shareholders, Business Associates, Bankers, Financial Institution and all Government Authorities for their co-operation and support. They sincerely acknowledge the significant contributions made by all the employees of the company.

For and on behalf of the Board of Directors

Rup Chand Lohia

Executive Chairman

Place: Bangalore

Date: 03rd September, 2021

DIN: 00063290

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2021

[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:-	U51909WB1965PLC026556
ii)	Registration Date	29-07-1965
iii)	Name of the Company	Merino Industries Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-government Company
v)	Address of the Registered Office & Contact details	5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700020, West Bengal Tel: 033-22901214, Fax: 033-22870314, E-mail: balaji@merinoindia.com Website: www.merinoindia.com
vi)	Whether listed company	No.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	C B Management Services (P) Limited, P-22, Bondel Road, Kolkata- 700019, Tel : 033-2280-6692/93/94, 033-40116700/11/16/18/23/28; Fax : 91-033-40116739; E-mail : rta@cbmsl.com CIN : U74140WB1994PTC062959

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Decorative Laminates	4823-90-19	75.59
2	Furniture & Panel Products	94036000	16.29

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Not Applicable				

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity)

(i) Category-wise Share holding

Sl. No.	Category of shareholder	No. of shares held at the beginning of the year (01.04.2020)				No. of shares held at the end of the year (31.03.2021)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoter									
1	Indian									
(a)	Individuals/ HUF	6446655	700	6447355	62.18	10569218	7516	10576734	94.61	32.43
(b)	Central Government									
(c)	State Government(s)									
(d)	Bodies Corporate	3388100	0	3388100	32.67	67800	0	67800	0.61	-32.06
(e)	Bank/Financial Institutions									
(f)	Any Other (specify)									
	Sub Total(A)(1)	9834755	700	9835455	94.85	10637018	7516	10644534	95.22	0.37

Sl No.	Category of shareholder	No. of shares held at the beginning of the year (01.04.2020)				No. of shares held at the end of the year (31.03.2021)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2	Foreign									
(a)	NRIs-Individuals	270	0	270	0.00	270	0	270	0.00	0.00
(b)	Other-Individuals									
(c)	Bodies Corporate									
(d)	Bank/Financial Institutions									
(e)	Any Other (specify)									
	Sub Total(A)(2)	270	0	270	0.00	270	0	270	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	9835025	700	9835725	94.85	10637288	7516	10644804	95.22	0.37
	(B) Public shareholding									
1	Institutions									
(a)	Mutual Funds									
(b)	Bank/Financial Institutions									
(c)	Central Govt									
(d)	State Govt(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies									
(g)	Foreign Institutional Investors (FII)									
(h)	Foreign Venture Capital Funds									
(i)	Others (specify)									
(i-i)	UTI									
	Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
B 2	Non-institutions									
(a)	Bodies Corporate									
i)	Indian	24122	4000	28122	0.27	28191	500	28691	0.28	0.01
ii)	Overseas									
(b)	Individuals / HUF	16088	0	16088	0.00	16088	0	16088	0.14	0.14
i.	Individual shareholders holding nominal share capital up to ₹1 lakh	311778	134414	446192	4.30	314798	134414	449212	4.02	-0.28
ii.	Individual shareholders holding nominal share capital in excess of ₹1 lakh.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Others (specify)									
(i)	IEPF	42220	0	42220	0.41	39200	0	39200	0.35	-0.06
	Sub-Total (B)(2)	398961	134914	533875	5.15	398961	134914	533875	4.77	-0.38
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	398961	134914	533875	5.15	398961	134914	533875	4.77	-0.38
	TOTAL (A)+(B)	10233986	135614	10369600	100.00	11036249	142430	11178679	100.00	0.00
(C)	Shares held by Custodians for GDRs & ADRs									
	Sub-Total (C)									
	GRAND TOTAL (A)+(B)+(C)	10233986	135614	10369600	100.00	11036249	142430	11178679	100.00	0.00

(ii) Shareholding of promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (31.03.2020)			Shareholding at the end of the year (31.03.2021)			% change in shareholding during the year
		No of shares	% of total shares of Company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of Company	% of shares pledged/ encumbered to total shares	
1	MERINO EXPORTS PRIVATE LIMITED	3067100	29.58	0.00	0	0.00	0.00	0.00
2	BIKASH LOHIA	240600	2.32	0.00	387128	3.46	0.00	1.14
3	DEEPAK LOHIA	235189	2.27	0.00	369673	3.31	0.00	1.04
4	PRAKASH LOHIA	566020	5.46	0.00	1188002	10.63	0.00	5.17
5	RUCHIRA LOHIA	508456	4.90	0.00	732026	6.55	0.00	1.65
6	CHAMPALAL LOHIA	368400	3.55	0.00	1276091	11.42	0.00	7.86
7	MERINO SERVICES LIMITED	320000	3.09	0.00	0	0.00	0.00	0.00
8	NEERA LOHIA	298750	2.88	0.00	458302	4.10	0.00	1.22
9	VANDANA LOHIA	298300	2.88	0.00	342582	3.06	0.00	0.19
10	MADHUSUDAN LOHIA	721635	6.96	0.00	995299	8.90	0.00	1.94
11	MEGHNA LOHIA	264535	2.55	0.00	273721	2.45	0.00	-0.10
12	TARA DEVI LOHIA	241100	2.33	0.00	406285	3.63	0.00	1.31
13	MANOJ LOHIA	214200	2.07	0.00	349201	3.12	0.00	1.06
14	RUP CHAND LOHIA	205100	1.98	0.00	885390	7.92	0.00	5.94
15	ABHIROOP LOHIA	200000	1.93	0.00	201763	1.80	0.00	-0.12
16	PRAVEENA LOHIA	179800	1.73	0.00	254412	2.28	0.00	0.54
17	PRASAN LOHIA	173370	1.67	0.00	346893	3.10	0.00	1.43
18	SITA DEVI LOHIA	163400	1.58	0.00	276895	2.48	0.00	0.90
19	USHA LOHIA (U/G CHAMPALAL LOHIA)	160000	1.54	0.00	203392	1.82	0.00	0.28
20	SHEELA LOHIA	117500	1.13	0.00	297393	2.66	0.00	1.53
21	SHASHI LOHIA	0	0.00	0.00	20505	0.18	0.00	0.18
22	PRAGYA LOHIA	84500	0.81	0.00	88500	0.79	0.00	-0.02
23	NAYANTARA LOHIA	80000	0.77	0.00	81118	0.73	0.00	-0.05
24	UMA SINGI	80000	0.77	0.00	80068	0.72	0.00	-0.06
25	ANUJA LOHIA	50000	0.48	0.00	52915	0.47	0.00	-0.01
26	MADAN MOHAN SINGHI	25900	0.25	0.00	25900	0.23	0.00	-0.02
27	GOVIND MUNDRA/ASHA MUNDRA	2200	0.02	0.00	2200	0.02	0.00	0.00
28	GOVIND MUNDRA	7800	0.08	0.00	7800	0.07	0.00	-0.01
29	NRIPEN KR DUGAR	600	0.01	0.00	600	0.01	0.00	0.00
30	PREKSHI LOHIA	80000	0.77	0.00	84000	0.75	0.00	-0.02
31	ASHA MUNDRA	80000	0.77	0.00	80068	0.72	0.00	-0.06
32	RADHIKA LOHIA	200000	1.93	0.00	200678	1.80	0.00	-0.13
33	ANURAG LOHIA	300000	2.89	0.00	300678	2.69	0.00	-0.20
34	PRAKASH LOHIA (HUF)	0	0.00	0.00	68	0.00	0.00	0.00
35	CHAMPALAL LOHIA (HUF)	0	0.00	0.00	68	0.00	0.00	0.00
36	PRASAN LOHIA (HUF)	0	0.00	0.00	68	0.00	0.00	0.00
37	RUPCHAND LOHIA (HUF)	0	0.00	0.00	68	0.00	0.00	0.00
38	MANOJ LOHIA (HUF)	0	0.00	0.00	68	0.00	0.00	0.00
39	MITA LOHIA	0	0.00	0.00	136	0.00	0.00	0.00
40	VANI LOHIA (MINOR)	0	0.00	0.00	3390	0.03	0.00	0.03
41	MIHIR MAN LOHIA (MINOR)	0	0.00	0.00	3390	0.03	0.00	0.03
42	KASTURI BAI GOPI BABU COLD STORAGE PRIVATE LIMITED	0	0.00	0.00	67800	0.61	0.00	0.61
43	PRIYANKA LOHIA	0	0.00	0.00	300000	2.68	0.00	0.61

(iii) Change in Promoter's Shareholding (please specify if there is no change)

Sl No.	Name	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
				No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
1	MERINO EXPORTS PRIVATE LIMITED	At the beginning of the year	01/04/20	3067100	29.58	3067100	29.58
		Increase	19/02/21	1000	0.01	3068100	29.59
		Decrease	31/03/21	3068100	29.59		
		At the end of the year	31/03/21	0	0	0	0
2	MADHUSUDAN LOHIA	At the beginning of the year	01/04/20	721635	6.96	721635	6.96
		Increase	31/03/21	273664	1.94	995299	8.90
		At the end of the year	31/03/21			995299	8.90
3	PRAKASH LOHIA	At the beginning of the year	01/04/20	566020	5.46	566020	5.46
		Increase	31/03/21	621982	5.17	1188002	10.63
		At the end of the year	31/03/21			1188002	10.63
4	DEEPAK LOHIA	At the beginning of the year	01/04/20	535189	5.16	535189	5.16
		Decrease	21/08/20	300000	2.89	235189	2.27
		Increase	31/03/21	134484	1.04	369673	3.31
		At the end of the year	31/03/21			369673	3.31
5	RUCHIRA LOHIA	At the beginning of the year	01/04/20	508456	4.9	508456	4.9
		Increase	31/03/21	223570	1.65	732026	6.55
		At the end of the year	31/03/21			732026	6.55
6	CHAMPALAL LOHIA	At the beginning of the year	01/04/20	368400	3.55	368400	3.55
		Increase	31/03/21	907691	7.87	1276091	11.42
		At the end of the year	31/03/21			1276091	11.42
7	MERINO SERVICES LIMITED	At the beginning of the year	01/04/20	320000	3.09	320000	3.09
		Decrease	31/03/21	320000	3.09	0	0
		At the end of the year	31/03/21	0	0	0	0
8	NEERA LOHIA	At the beginning of the year	01/04/20	298750	2.88	298750	2.88
		Increase	31/03/21	159552	1.22	458302	4.10
		At the end of the year	31/03/21			458302	4.10
9	VANDANA LOHIA	At the beginning of the year	01/04/20	298300	2.88	298300	2.88
		Increase	31/03/21	44282	0.18	342582	3.06
		At the end of the year	31/03/21			342582	3.06
10	MEGHNA LOHIA	At the beginning of the year	01/04/20	264535	2.55	264535	2.55
		Increase	31/03/21	9186	-0.1	273721	2.45
		At the end of the year	31/03/21			273721	2.45
11	TARA DEVI LOHIA	At the beginning of the year	01/04/20	241100	2.33	241100	2.33
		Increase	31/03/21	165185	1.3	406285	3.63
		At the end of the year	31/03/21			406285	3.63
12	BIKASH LOHIA	At the beginning of the year	01/04/20	240600	2.32	240600	2.32
		Increase	31/03/21	146528	1.14	387128	3.46
		At the end of the year	31/03/21			387128	3.46

Sl No.	Name	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
				No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
13	MANOJ LOHIA	At the begining of the year	01/04/20	214200	2.07	214200	2.07
		Increase	31/03/21	135001	1.05	349201	3.12
		At the end of the year	31/03/21			349201	3.12
14	RUP CHAND LOHIA	At the begining of the year	01/04/20	205100	1.98	205100	1.98
		Increase	31/03/21	680290	5.94	885390	7.92
		At the end of the year	31/03/21			885390	7.92
15	ABHIROOP LOHIA	At the begining of the year	01/04/20	200000	1.93	200000	1.93
		Increase	31/03/21	1763	-0.13	201763	1.80
		At the end of the year	31/03/21			201763	1.80
16	PRAVEENA LOHIA	At the begining of the year	01/04/20	179800	1.73	179800	1.73
		Increase	31/03/21	74612	0.55	254412	2.28
		At the end of the year	31/03/21			254412	2.28
17	GOVIND MUNDRA	At the begining of the year	01/04/20	7800	0.08	7800	0.08
		At the end of the year	31/03/21			7800	0.08
18	SHEELA LOHIA	At the begining of the year	01/04/20	117500	1.13	117500	1.13
		Increase	31/03/21	179893	1.53	297393	2.66
		At the end of the year	31/03/21			297393	2.66
19	NAYANTARA LOHIA	At the begining of the year	01/04/20	80000	0.77	80000	0.77
		Increase	31/03/21	1118	-0.04	81118	0.73
		At the end of the year	31/03/21			81118	0.73
20	ANUJA LOHIA	At the begining of the year	01/04/20	50000	0.48	50000	0.48
		Increase	31/03/21	2915	-0.01	52915	0.47
		At the end of the year	31/03/21			52915	0.47
21	ASHA MUNDRA	At the begining of the year	01/04/20	80000	0.77	80000	0.77
		Increase	31/03/21	68	-0.05	80068	0.72
		At the end of the year	31/03/21			80068	0.72
22	RADHIKA LOHIA	At the begining of the year	01/04/20	200000	1.93	200000	1.93
		Increase	31/03/21	678		200678	1.80
		At the end of the year	31/03/21			200678	1.80
23	MADAN MOHAN SINGI	At the begining of the year	01/04/20	25900	0.25	25900	0.25
		At the end of the year	31/03/21			25900	0.25
24	NRIPEN KR DUGAR	At the begining of the year	01/04/20	600	0.01	600	0.01
		At the end of the year	31/03/21			600	0.01
25	SITA DEVI LOHIA	At the begining of the year	01/04/20	163400	1.58	163400	1.58
		Increase	31/03/21	113495	0.90	276895	2.48
		At the end of the year	31/03/21			276895	2.48
26	PRASAN LOHIA	At the begining of the year	01/04/20	173370	1.67	173370	1.67
		Increase	31/03/21	173523	1.43	346893	3.10
		At the end of the year	31/03/21			346893	3.10

Sl No.	Name	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
				No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
27	USHA LOHIA	At the beginning of the year	01/04/20	160000	1.54	160000	1.54
		Increase	31/03/21	43392	0.28	203392	1.82
		At the end of the year	31/03/21			203392	1.82
28	PRIYANKA LOHIA	At the beginning of the year	01/04/20	0	0	0	0
		At the end of the year	31/03/21			300000	2.68
29	PREKSHI LOHIA	At the beginning of the year	01/04/20	80000	0.77	80000	0.77
		Increase	31/03/21	4000	-0.02	84000	0.75
		At the end of the year	31/03/21			84000	0.75
30	PRAGYA LOHIA	At the beginning of the year	01/04/20	84500	0.81	84500	0.81
		Increase	31/03/21	4000	-0.02	88500	0.79
		At the end of the year	31/03/21			88500	0.79
31	UMA SINGI	At the beginning of the year	01/04/20	80000	0.77	80000	0.77
		Increase	31/03/21	68	-0.05	80068	0.72
		At the end of the year	31/03/21			80068	0.72
32	ANURAG LOHIA	At the beginning of the year	01/04/20	300000	2.89	300000	2.89
		Increase	31/03/21	678	-0.2	300678	2.69
		At the end of the year	31/03/21			300678	2.69
33	PRAKASH LOHIA (HUF)	At the beginning of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	68	0.00	68	0.00
		At the end of the year	31/03/21			68	0.00
34	CHAMPALAL LOHIA (HUF)	At the beginning of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	68	0.00	68	0.00
		At the end of the year	31/03/21			68	0.00
35	PRASAN LOHIA (HUF)	At the beginning of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	68	0.00	68	0.00
		At the end of the year	31/03/21			68	0.00
36	MANOJ LOHIA (HUF)	At the beginning of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	68	0.00	68	0.00
		At the end of the year	31/03/21			68	0.00
37	MITA LOHIA	At the beginning of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	136	0.00	136	0.00
		At the end of the year	31/03/21			136	0.00
38	VANI LOHIA (MINOR)	At the beginning of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	3390	0.03	3390	0.03
		At the end of the year	31/03/21			3390	0.03
39	MIHIR MAN LOHIA (MINOR)	At the beginning of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	3390	0.03	3390	0.03
		At the end of the year	31/03/21			3390	0.03

Sl No.	Name	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
				No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
40	KASTURI BAI GOPI BABU COLD STORAGE PRIVATE LIMITED	At the begining of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	67800	0.61	67800	0.61
		At the end of the year	31/03/21			67800	0.61
41	SASHI LOHIA	At the begining of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	20505	0.18	20505	0.18
		At the end of the year	31/03/21			20505	0.18
42	GOVIND MUNDRA/ASHA MUNDRA	At the begining of the year	01/04/20	2200	0.02	2200	0.02
		At the end of the year	31/03/21			2200	0.02
43	RUP CHAND LOHIA (HUF)	At the begining of the year	01/04/20	0	0.00	0.00	0.00
		Increase	31/03/21	68	0.00	68	0.00
		At the end of the year	31/03/21			68	0.00

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS)

Sl No.	Folio no.	Name - For each of the top 10 shareholders	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
					No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
1	IN30236510096345	ASTHA FOILS PVT LTD	At the begining of the year	01/04/20	10000	0.1	10000	0.1
			Decrease	05/03/21	500	0	9500	0.09
			At the end of the year	31/03/21			9500	0.09
2	1201090008288550	SUNDEEP NAVINCHANDRA GHAEL	At the begining of the year	01/04/20	8000	0.08	8000	0.08
			At the end of the year	31/03/21			8000	0.08
3	IN30002011729093	JAY PRAFUL SHAH	At the begining of the year	01/04/20	7548	0.07	7548	0.07
			Decrease	18/12/20	7548	0.07	0	0
			At the end of the year	31/03/21			0	0
4	IN30046810078788	PRABODH GUPTA	At the begining of the year	01/04/20	7300	0.07	7300	0.07
			Decrease	17/04/20	50	0	7250	0.07
			Increase	08/05/20	1200	0.01	8450	0.08
			Increase	05/06/20	1200	0.01	9650	0.09
			Decrease	03/07/20	50	0	9600	0.09
			Increase	07/08/20	200	0	9800	0.09
			Decrease	23/10/20	150	0	9650	0.09

Sl No.	Folio no.	Name - For each of the top 10 shareholders	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
					No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
			Decrease	30/10/20	100	0	9550	0.09
			Decrease	06/11/20	400	0	9150	0.09
			Decrease	13/11/20	550	0.01	8600	0.08
			Decrease	11/12/20	2025	0.02	6575	0.06
			Decrease	18/12/20	25	0	6550	0.06
			Decrease	29/01/21	750	0.01	5800	0.06
			Decrease	26/02/21	1000	0.01	4800	0.05
			Decrease	31/03/21	1400	0.01	3400	0.03
			At the end of the year	31/03/21			3400	0.03
5	IN30042510106936	VENILAL BALUBHAI GHAYAL	At the beginning of the year	01/04/20	6000	0.06	6000	0.06
			At the end of the year	31/03/21			6000	0.06
6	IN30302850067684	MANISH KUMAR SOMANI	At the beginning of the year	01/04/20	5705	0.06	5705	0.06
			Decrease	26/06/20	1200	0.01	4505	0.04
			Decrease	28/08/20	1050	0.01	3455	0.03
			Decrease	25/09/20	750	0.01	2705	0.03
			Decrease	30/10/20	200	0	2505	0.02
			Decrease	06/11/20	100	0	2405	0.02
			Increase	13/11/20	400	0	2805	0.03
			Increase	20/11/20	2000	0.02	4805	0.05
			Decrease	26/02/21	150	0	4655	0.04
			At the end of the year	31/03/21			4655	0.04
7	1203480000029180	SUSHILA LAKHOTIA	At the beginning of the year	01/04/20	5000	0.05	5000	0.05
			At the end of the year	31/03/21			5000	0.05
8	IN30009511415372	Indra Kumar Bagri	At the beginning of the year	01/04/20	4876	0.05	4876	0.05
			Decrease	18/09/20	200	0	4676	0.05
			Decrease	01/01/21	25	0	4651	0.04
			At the end of the year	31/03/21			4651	0.04
9	IN30254010038069	ANIL KUMAR GOVIL	At the beginning of the year	01/04/20	0	0	0	0
			Increase	11/12/20	2500	0.02	2500	0.02
			Increase	22/01/21	6000	0.06	8500	0.08
			At the end of the year	31/03/21			8500	0.08
10	1201090000605860	JAY PRAFUL SHAH	At the beginning of the year	01/04/20	0	0	0	0
			Increase	25/12/20	7548	0.07	7548	0.07
			At the end of the year	31/03/21			7548	0.07

Sl No.	Folio no.	Name - For each of the top 10 shareholders	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
					No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
11	1201260000155660	GIRISH GULATI (HUF)	At the begining of the year	01/04/20	900	0.01	900	0.01
			Increase	09/10/20	750	0.01	1650	0.02
			Increase	23/10/20	1700	0.02	3350	0.03
			Increase	30/10/20	150	0	3500	0.03
			Increase	06/11/20	1750	0.02	5250	0.05
			At the end of the year	31/03/21			5250	0.05
12	IN30109810767356	GOBINDSINGH DHAWDA	At the begining of the year	01/04/20	4400	0.04	4400	0.04
			Increase	06/11/20	200	0	4600	0.04
			Decrease	19/02/21	600	0.01	4000	0.04
			Increase	05/03/21	400	0	4400	0.04
			Increase	12/03/21	600	0.01	5000	0.05
			At the end of the year	31/03/21			5000	0.05

(v) Shareholding Pattern of Directors and Key Managerial Personnel

Sl No.	Name	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
				No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
1	MADHUSUDAN LOHIA	At the begining of the year	01/04/20	721635	6.96	721635	6.96
		Increase	31/03/21	273664	1.94	995299	8.90
		At the end of the year	31/03/21			995299	8.90
2	BIKASH LOHIA	At the begining of the year	01/04/20	240600	2.32	240600	2.32
		Increase	31/03/21	146528	1.143092553	387128	3.46
		At the end of the year	31/03/21			387128	3.46
3	PRAKASH LOHIA	At the begining of the year	01/04/20	566020	5.46	566020	5.46
		Increase	31/03/21	621982	5.17	1188002	10.63
		At the end of the year	31/03/21			1188002	10.63
4	RUCHIRA LOHIA	At the begining of the year	01/04/20	508456	4.90	508456	4.9
		Increase	31/03/21	223570	1.65	732026	6.55
		At the end of the year	31/03/21			732026	6.55

Sl No.	Name	Remarks	Shareholding/ transaction Date	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
				No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
5	CHAMPALAL LOHIA	At the beginning of the year	01/04/20	368400	3.55	368400	3.55
		Increase	31/03/21	907691	7.87	1276091	11.42
		At the end of the year	31/03/21			1276091	11.42
6	RUP CHAND LOHIA	At the beginning of the year	01/04/20	205100	1.98	205100	1.98
		Increase	31/03/21	680290	5.94	885390	7.92
		At the end of the year	31/03/21			885390	7.92
7	PRASAN LOHIA	At the beginning of the year	01/04/20	173370	1.67	173370	1.67
		Increase	31/03/21	173523	1.43	346893	3.10
		At the end of the year	31/03/21			346893	3.10
8	NRIPEN KR DUGAR	At the beginning of the year	01/04/20	600	0.01	600	0.01
		At the end of the year	31/03/21			600	0.01
9	DR. GAUTAM BHATTACHARYA	At the beginning of the year		0	0.00	0	0.00
		At the end of the year				0	0.00
10	SISIR KUMAR CHAKRABARTI	At the beginning of the year		0	0.00	0	0.00
		At the end of the year				0	0.00
11	BAMA PRASAD MUKHOPADHAY	At the beginning of the year		0	0.00	0	0.00
		At the end of the year				0	0.00
12	PRABAL KUMAR SARKAR	At the beginning of the year		0	0.00	0	0.00
		At the end of the year				0	0.00
13	SACHIN SELOT	At the beginning of the year		0	0.00	0	0.00
		At the end of the year				0	0.00
14	VINAMRATA AGRAWAL	At the beginning of the year		0	0.00	0	0.00
		At the end of the year				0	0.00
15	MANOJ LOHIA	At the beginning of the year	01/04/20	214200	2.07	214200	2.07
		Increase	31/03/21	135001	1.05	349201	3.12
		At the end of the year	31/03/21			349201	3.12
16	DEEPAK LOHIA	At the beginning of the year	01/04/20	535189	5.16	535189	5.16
		Decrease	21/08/20	300000	2.89	235189	2.27
		Increase	31/03/21	134484	1.04	369673	3.31
		At the end of the year	31/03/21			369673	3.31
17	ANURAG LOHIA	At the beginning of the year	01/04/20	300000	2.89	300000	2.89
		Increase	31/03/21	678	0.01	300678	2.69
		At the end of the year	31/03/21			300678	2.69

V. INDEBTEDNESS

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,413.41	7,888.38	-	24,301.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	99.25	-	-	99.25
Total (i+ii+iii)	16,512.66	7,888.38	-	24,401.04
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	-747.61	-7,301.26	-	-8,048.87
Net Change	-747.61	-7,301.26	-	-8,048.87
Indebtedness at the end of the financial year				
i) Principal Amount	15,683.90	587.12	-	16,271.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	81.15	-	-	81.15
Total (i+ii+iii)	15,765.05	587.12	-	16,352.17

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Executive Chairman*	Executive Chairman	Managing Director	Whole-time Directors									Total Amount
		Shri Champalal Lohia	Shri Rup Chand Lohia	Shri Prakash Lohia	Shri Prasan Lohia	Shri Bikash Lohia	Miss Ruchira Lohia	Shri Madhusudan Lohia	Shri Nripen Kumar Dugar	Shri Anurag Lohia	Shri Manoj Lohia	Shri Deepak Lohia		
1	Gross salary													
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.59	84.45	127.16	105.54	122.48	105.54	105.54	51.85	76.58	105.54	159.75	1,045.02	
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	1.00	1.00	1.00	1.00	1.00	1.00	0.71	1.00	1.00	1.00	9.71	
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-	-	-	-	-	-	-	-	-	
2	Stock Option	0	0	0	0	0	0				0	0	-	
3	Sweat equity	0	0	0	0	0	0				0	0	-	
4	Commission													
	- as % of profit	0	0	0	0	0	0				0	0	-	
	- others, specify...	0	0	0	0	0	0				0	0	-	
5	Others, please specify												-	
	P.F.	0.07	9.79	14.74	12.23	13.61	12.23	12.23	0.21	8.05	12.23	17.11	112.50	
	GRATUITY				0.54	0.40	0.54	0.41		0.90	1.04	1.07	4.90	
	LEAVE				-0.35	3.34	-0.35	-0.91	1.80	5.12	-0.38	8.44	16.71	
	MEDICAL REIMBURSEMENT	1.17	10.47	9.12	10.25	14.24	10.30	7.26	-	3.48	20.42	8.04	94.75	
	Total (A)	1.83	105.71	152.02	129.21	155.07	129.26	125.53	54.57	95.13	139.85	195.41	1,283.59	
	Ceiling as per the Act	Remuneration paid in accordance with the provisions of Section 197 read with Schedule V of Companies Act, 2013												

B. Remuneration to other directors:

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Gautam Bhattacharjee	Shri Sisir Kumar Chakrabarti	Shri Bama Prasad Mukhopadhyay	Shri Prabal Kumar Sarkar	
1	Independent Directors					
	· Fee for attending board / committee meetings	1.60	1.50	1.50	0.50	5.10
	· Commission	0	0	0	0	0.00
	· Others, please specify	0	0	0	0	0.00
	Total (1)	1.60	1.50	1.50	0.50	5.10
2	Other Non-Executive Directors					
	· Fee for attending board / committee meetings	0	0	0	0	0.00
	· Commission	0	0	0	0	0.00
	· Others, please specify	0	0	0	0	0.00
	Total (2)	0	0	0	0	0.00
	Total (B)=(1+2)	1.60	1.50	1.50	0.50	5.10
	Total Managerial Remuneration					1,288.69
	Overall Ceiling as per the Act	Paid in accordance with the provisions of Section 197 read with Schedule V of Companies Act, 2013				

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Financial Officer		Company Secretary	
		Shri Sanjay Banka upto 15.07.2020	Shri Sachin Selot wef 11.01.2021	Ms. Vinamarata Agrawal	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.71	27.92	5.59	56.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	GRATUITY	0.00	1.73	0.00	1.73
	LEAVE		0.00	0.54	0.54
	P.F.	0.05	0.06	0.15	0.26
	Exgratia	0.00	0.00	0.00	0.00
	Total	22.76	29.71	6.28	58.75

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)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure-2 to Directors' Report

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2021.

The details of conservation of energy & water, technology absorption, foreign exchange earnings and outgo are as follows:

A. Conservation of energy:

The steps taken for positive impact on conservation of energy & water by way of Application/Installations of new equipment, electricals, appliances etc.

A. Hapur Unit.

1. Modification in Electrical Circuit of chrome plating plant saving 8000 KWH electricity & 6.5 Ton CO₂ per year.
2. Initiated Project for reduction in Water consumption to the tune of 150KL/Day (Average) by creating infrastructure to handle / change Electrical energy mix being used at Hapur. It is proposed to obtain electricity thru State Electricity Board/ Open Access.
3. Utilized Biogas generating from ETP to power Air compressor and utilising the compressed Air in operations. The saving in Electrical energy is approximately 300 KWH per day.
4. Eliminated usages of HSD burning in the incineration process by using shredded trimming waste & sanding dust which save approximately 218 KL HSD & 517 Ton CO₂ emission per year.
5. Modification done in Thermic fluid heater by using single bed of FBC furnace saving 460 MT Rice husk & 96,000 KWH electricity.
6. Replaced 800 conventional ceiling fans with Low energy BLDC Fans.
7. Commissioning of 4 Nos Battery Operated Forklift truck.

B. Rohad Unit

1. Replacement of existing Motor with higher efficiency IE3 motors at various locations in the plant.
2. Replacement of conventional fans with BLDC fan in the plant to save electrical energy.

3. New Luminaries installed were Energy Saving LED Type. All replacements are also being done by Energy efficient LED Lamps.
4. Replacement of Cooling Tower Fans from aluminum blades to light-weight FRP blades.
5. Implemented automation for Heating Cooling System in the Hot Press water system to optimise Pump operating duration without affecting the process.
6. Installation of Oxygen Analyser to record and reduce dry flue gas losses at Hot water Generator.

C. Dahej Unit

1. Replacement of existing Motor with higher efficiency IE3 motors at HWG & TFH plant.
2. Modification in lighting scheme throughout the plant to control & save power.
3. Ultrasonic Flow Transmitter installed at Inlet and Outlet of Sewage Treatment plant for accurate measurement of water.
4. SOX Scrubber for HWG and TFH, for efficient pollution control system.
5. New battery-operated forklifts (2 & 5 Tons) for material movement inside the factory to save diesel consumption & carbon emission.

D. Hosur Unit

1. VFD has been installed in TFH – Extended Furnace & Dust collector area to optimise electrical energy consumption. The expected savings respectively would be to the tune of 3,30,170 KWH /Year and 14,592 KWH/ Year
2. Conversion of conventional Luminaires with LED. This will be followed for all replacement in future.
3. Generate 69099 units Electric energy by Roof top solar generating station at Hosur plant from April 2020 to Mar 2021.
4. In the last financial quarter from April'2020 to March'2021, we have installed the energy efficient in secondary

furnace project and expected energy savings 3,30,169 units/year and cost savings INR 26,41,358 / year.

5. Energy savings 14,592 units/year and cost savings INR 1,24,032 / year Dust collector from April 2020 to Mar 2021 by using the VFD with Automation.
6. Water saving 596.10 KL from April 2020 to Mar 2021 by using rainwater harvesting system.
7. Generate 1543 units/year Electric energy by Solar Street lights at Hosur plant from April 2020 to Mar 2021.

II. The steps taken by the company for utilizing alternate sources of energy.

A. Hapur

1. Installation of 300 KLD Aerobic ETP & 50 KLD STP plant to reuse water in gardening & other construction work, which save approximately 50 KL/day
2. 511 KWP Solar Plant installed for increasing the Renewable Source contribution.

B. Rohad

1. Hot water Generator and Thermic Fluid Heater converted on Bio-fuel.

C. Dahej

1. Installed 496.8 KWP Solar Power Plant as Renewable source of energy. Generated 7.5 lakh KWH energy by roof top solar generating station at Dahej.

D. Hosur

1. Waste Heat Recovery System has been installed alongwith Incinerator utilising heat for Thermic Fluid Heater.
2. Bio Gas digester of 50 Kg installed- Bio Gas being utilised in Canteen cooking saving 60 Kg of LPG per Month

III. The capital investment on energy conservation equipment.

A. Hapur Unit

1. Installation of 511 KWP roof top solar plant at Hapur establishment costing INR 1.68 Crore
2. Replaced approximately 800 nos 80 watt conventional ceiling fan by 28 watt BLDC ceiling fan saving electricity by 80,000 KWH , costing INR 17.6 Lacs
3. Replaced approximately 250 KW continuous running motors in different applications by energy efficient motors which reduce approximately 20 Ton CO2 per year & save approximately 25000 units per year, costing INR 4

Lacs

B. Dahej

1. Capital investment of Rs 170 Lakhs for installation of 496.8 KWP solar plant in Dahej unit.
2. Capital investment of Rs 2.75 Lakhs for installation of Energy officiant Agitator in Dahej Unit.
3. Capital investment of Rs 0.28 Lakhs for Lighting system modification in Dahej Unit.

C. Hosur

1. Capital investment of Rs 90 Lakhs has been made for recovery of Waste Heat from Incinerator, and, utilising the same for Thermic Fluid Heater.

IV: Technology absorption:

A. Hapur

1. Developed process to biocompost Agricultural waste producing Manure and Bio Gas, in association with VNIT Nagpur. Industrialisation of the process is being worked upon. This will produce approximately 180 Ton/year bio compost from rice paddy.
2. Installation of Wemhoener LPL line (German Technology) to improve productivity & quality of LPL product in Hapur establishment.
3. Installation of Scrubber in impregnator to eliminate the toxic volatile gases emission to the atmosphere.
4. New Facility created for the potato tissue culture, DBT accredited lab, with enhanced capacity up to 2,50,000 micro plants.

B. Rohad

1. Edge Banding manufacturing machine has been installed and commissioned first time in the group as a new product in the portfolio.
2. Bio Waste fuel usage has been incorporated in the Existing Coal Fired Hot Water Generator.

Only Engineering Related technology absorption has been listed above.

V: Foreign Exchange Earnings and Outgo

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

The Company continues to maintain focus on, and avail, of export opportunities based on economic considerations.

(ii) Total foreign exchange used and earned (2020-21)

	(₹ In lakh)
Earnings:	
Foreign Exchange earned (CIF Value of exports)	38012.00
Outgo:	
CIF Value of Imports	
a) Raw materials	22474.90
b) Components & Spare Parts (including Stores)	161.83
c) Capital Goods	1169.58
d) Trading Items - acrylic solid surface	2091.46
e) Trading Item - PVC F TILES	66.46
Expenditure in foreign currency	
a) Commission	65.51
b) Travelling	18.83
c) Professional fees	20.35
d) Export Promotion	3.95
e) Royalty / Fees and Subscription	87.56
f) Interest	118.68
g) Others	39.61
h) Foreign branch office expenses	491.07
i) Job Work Charges	-

SECRETARIAL AUDIT REPORT

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31.03.2021

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

To

The Members

Merino Industries Limited

5, Alexandra Court,

60/1 Chowringhee Road, Kolkata-700020

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; not applicable
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011; (Not applicable to the Company during the Audit Period);

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the Audit Period);
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the Company during the Audit Period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period);
- g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);
- vi. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including factories act, general laws, labour laws, environments laws, etc.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;

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

We further report that

During the period under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and

processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the composite scheme of Arrangement and plan of merger between Merino Exports Private Limited, Merino Properties Private Limited, Merino Services Limited, Merino Consulting Services Limited, Merino Panel Products Limited and the Company was approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 29.09.2020. The Scheme became effective from 1st March, 2021 and has filed the necessary forms with Ministry of Company Affairs to give effect to the scheme.

For AL & Associates
Company Secretaries
(FRN: 037000)

Priti Agarwal
Partner

Place: Kolkata
Date: 03.09.2021

ACS 26513; C.P.No. 9937
UDIN:F010877C000886147

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

Annexure A'

To

The Members

Merino Industries Limited

5, Alexandra Court, 60/1 Chowringhee Road, Kolkata-700020

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For AL & Associates
Company Secretaries
(FRN: 037000)

Priti Agarwal
Partner

Place: Kolkata
Date: 03.09.2021

ACS 26513; C.P.No. 9937
UDIN:F010877C000886147

CORPORATE SOCIAL RESPONSIBILITY REPORT

1.	Brief outline on CSR Policy of the company:	The Company's CSR Policy is to serve the cause for creating a healthy and enlightened life for the needy while fulfilling the responsibility of conservation of scarce natural resources. As a concerned corporate citizen, it is felt that the company gives back some support to the weaker sections of society through sustained projects. The focus was on programs to promote Education targeted towards the underprivileged girl child including adult education, Healthcare & Medical initiatives and distribution of Mid-day Meal to students.
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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	Shri Prakash Lohia	Chairman/Managing Director	1	1
2	Shri Prasan Lohia	Member/ Director	1	1
3	Dr. Gautam Bhattacharjee	Member/Independent Director	1	1

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.	https://www.merinoindia.com/CSR.php
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).	Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) 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 ₹ Lakhs)	Amount required to be setoff for the financial year, if any (in ₹ Lakhs)
Nil			

6.	Average net profit of the company as per section 135(5):	₹ 12,726.45 Lakhs
7.	(a) Two percent of average net profit of the company as per section 135(5):	₹ 254.53 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
	(c) Amount required to be set off for the financial year, if any.	-
	(d) Total CSR obligation for the financial year (7a + 7b + 7c)	₹ 254.53 Lakhs

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

Total Amount Spent for the Financial Year (in ₹ Lakhs)	Amount Unspent				
	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 (in ₹ Lakhs)	Date of transfer	Name of Fund	Amount (in ₹ Lakhs)	Date of transfer
₹ 391.24 Lakhs	Nil	Nil		Nil	

(b) Details of CSR amount spent against 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) Project duration	(7) Amount allocated for the project (in ₹ Lakhs)	(8) Amount spent in the current financial Year (in ₹ Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs)	(10) Mode of Implementation - Direct/ Through Trust	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Education relief programme	(ii)	Yes	U.P. & W.B.	Hapur, U.P. & Kolkata, W.B.	Current year	163.65 Lakhs	163.65 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
2	Donation	(i) and (ii)	Yes	U.P. & W.B.	Hapur, U.P. & Kolkata, W.B.	Current year	56.00 Lakhs	56.00 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
3	Corpus Donation	(i)	Yes	U.P.	Hapur, U.P.	Current year	9.00 Lakhs	9.00 Lakhs	NIL	Through Trust	Sri Premchand Lohia Memorial Trust	CSR000009047
4	Donation	(i)	Yes	U.P.	Hapur, U.P.	Current year	25.00 Lakhs	25.00 Lakhs	NIL	Through Trust	Sri Mankumar Lohia Memorial Trust	CSR000009020
5	Donation	(i)	Yes	U.P.	Hapur, U.P.	Current year	25.00 Lakhs	25.00 Lakhs	NIL	Through Trust	Sri Premchand Lohia Memorial Trust	CSR000009047
6	Empowering women	(iii)	Yes	U.P.	Hapur, U.P.	Current year	13.65 Lakhs	13.65 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
7	Mid Day Meal	(i)	Yes	U.P.	Hapur, U.P.	Current year	5.42 Lakhs	5.42 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
8	Corpus Donation	(i) and (ii)	Yes	U.P.	Hapur, U.P.	Current year	76.00 Lakhs	76.00 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
9	Administrative & others		Yes	U.P.	Hapur, U.P.	Current year	17.52 Lakhs	17.52 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
	Total						391.24 Lakhs	391.24 Lakhs				

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

(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 ₹ Lakhs)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration number
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(d)	Amount spent in Administrative Overheads	-
(e)	Amount spent on Impact Assessment, if applicable	Not Applicable
(f)	Total amount spent for Financial Year (8b+8c+8d+8e)	₹ 391.24 Lakhs

(g) Excess amount for set off, if any.

Sl. No.	Particular	Amount (in ₹ Lakhs)
i.	Two percent of average net profit of the company as per section 135(5)	254.53
ii.	Total amount spent for the Financial Year	391.24
iii.	Excess amount spent for the financial year [(ii)-(i)]	136.71
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	136.71

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

Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lakhs)	Amount spent in the reporting Financial Year (in ₹ Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			% Change during the year
				Demat	Physical	% of total shares	
Not Applicable							

(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 ₹ Lakhs)	Amount spent on the project in the reporting Financial Year (in ₹ Lakhs)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Lakhs)	Status of the project - Completed /Ongoing.
Nil								

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 (asset - wise details): Nil

(a)	Date of creation or acquisition of the capital asset(s).	
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	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 has been actively involved in the betterment of the society by innovatively supporting them through programs designed in the domains of education, health, environment, rural development, community welfare programmes, etc. The company has been spending excess amounts which were eligible for CSR expenses.
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For and on behalf of Board of Directors of
Merino Industries Limited

Prakash Lohia
Chairman – CSR Committee/Managing Director
Place: Hapur (U.P.)
Date:03.09.2021

Gautam Bhattacharjee
Member – CSR Committee/Independent Director
Place: Kolkata

Annexure-5 to Directors' Report

DISCLOSURES OF REMUNERATION

Disclosures pertaining to Remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2021

A. Employed throughout the year and in receipt of remuneration which in the aggregate was not less than ₹1,02,00,000/- per annum

Name	Age (in years)	Designation/ Nature of employment	Rremuneration (₹ in lakh)	Qualifications	Experience (Years)	Date of commencement of employment	% of Equity Share held	Last Employment/ Position held
Shri Rup Chand Lohia	81	Executive Chairman- Supervise Technical Affairs and Implementation of New Projects and oversee the operations of the Company's plant at Hosur in the State of Tamil Nadu	105.71	B.M.E. (Mech)	59	01.01.2002	7.92	Whole-time Director in Merino Exports Pvt. Ltd.
Shri Prakash Lohia	66	Managing Director – Management of the business and affairs of the Company as a whole	152.02	B. Tech. (Chem) – IIT Delhi M.E.P (IIM- Ahmedabad)	44	01.05.1985	10.63	First employment
Shri Prasan Lohia	53	Whole-time Director- Overseeing Corporate Office Administration, Supervision of Export-Import Documentation, Foreign Exchange Risk Management and Domestic Sales and Marketing of Eastern Region	129.21	AB (Econ.) USA, BS (Elect. Engg.) USA, MBA (USA)	29	01.10.2004	3.10	Vice-President (Global Operations) in Merino Industries Ltd.
Ms. Ruchira Lohia	53	Whole-time Director- Public Relations and Overseeing Export and Import functions and marketing of food products	129.26	B.A., M.E.P (IIM- Ahmedabad)	27	01.04.2000	6.55	Vice-President (Delhi Operations) in Merino Industries Ltd.
Shri Bikash Lohia	51	Whole-time Director- Overseeing factory operations and overall management, and addressing Information Technology related issues	155.07	Privately Educated & M.E.P (IIM- Ahmedabad)	29	01.10.2006	3.46	Whole-time Director in Merino Panel Products Ltd.
Shri Madhusudan Lohia	41	Whole-time Director- Overseeing sales and marketing of the Company's furniture and panel products division and new product introduction	125.53	Graduate in Business Process management, (Operations & International Business) - Indiana University, U.S.A, Masters in Manufacturing Management, MBA, - Pennsylvania State University, USA.	19	01.10.2006	8.90	Whole-time Director in Kasturi Bai Gopi Babu Cold Storage Pvt. Ltd.

Name	Age (in years)	Designation/ Nature of employment	Rremuneration (₹ in lakh)	Qualifications	Experience (Years)	Date of commencement of employment	% of Equity Share held	Last Employment/ Position held
Shri Deepak Lohia	45	Whole-time Director-Overseeing production, import of design papers, raw materials, chemicals, etc.	195.41	B.E. (Mech.)	24	01.12.2020	3.31	Whole-time Director in Merino Panel Products Ltd.
Shri Manoj Lohia	49	Whole-time Director-Overseeing marketing and sale of Company's Products in Southern India	139.85	B.Com.	25	01.12.2020	3.12	Whole-time Director in Merino Panel Products Ltd.
Shri Rohit Kaul	51	Vice President-International Business	247.00	B.E. (Mechanical)	28	01.03.2010	Nil	Vice-President in Greenply Industries Limited

B. Employed for a part of the year and in receipt of remuneration which in the aggregate was not less than ₹8,50,000/- per month. Nil

Note:

- Gross Remuneration comprises Salary, Perquisites, Gratuity, Leave Encashment and Company's contribution to Provident Fund.
- The appointments are contractual. Other terms and conditions are as per Company's Rules.
- Shri Prakash Lohia is a relative of Shri Madhusudan Lohia, Whole-time Director. Shri Rup Chand Lohia Executive Chairman is the relative of Shri Prasan Lohia and Shri Manoj Lohia, Whole-time Directors. Shri Prasan Lohia is the relative of Shri Rup Chand Lohia, Executive Chairman and Shri Manoj Lohia, Whole-time Director. Shri Bikash Lohia is the relative of Shri Deepak Lohia, Whole-time Director. Shri Madhusudan Lohia is a relative of Shri Prakash Lohia, Managing Director. Shri Deepak Lohia is a relative of Shri Bikash Lohia, Whole-time Director. Shri Manoj Lohia is a relative of Shri Prasan Lohia, Whole-time Director and Shri Rup Chand Lohia, Executive Chairman.
- *4. The sum is inclusive of amount reimbursed from subsidiary Company by way of recovery of part cost of services.

For and on behalf of the Board of Directors

Date: 03rd September, 2021
Place: Kolkata

Rup Chand Lohia
Executive Chairman

CSR Report 2020-2021

Empowering minds, empowering the society

Merino Group believes that Corporate Social Responsibility is a mindset that instils socially responsible thinking coupled with formulating a strategy to use our skills and resources thereby creating a positive change in the lives of the underprivileged sections of the society. We believe it is our duty to support the weaker sections of society through our sustained CSR projects. The company implements its CSR activities through Sri Hara Kasturi Memorial Trust, formed specifically for this purpose. To create a significant impact in the lives of people, our CSR programs are mainly focused on two broad segments:

1. Education – Our education program emphasizes on educating the underprivileged children and empowering them to lead a better life. Swami Vivekananda Arunoday Vidyalay (SVAV), the school that we run at Hapur, works as a catalyst in spreading education and empowers the economically weak households to improve their social habits and conditions. Through our educational programs we have been able to touch the lives of people in Northern and Eastern India.
2. Health Care – Along with education, we believe that overall development and progress of any nation grossly depends upon the health and wellbeing of its citizens. Our free healthcare services for prevention of diseases among the poor and needy and for their well-being is one of the steps taken towards building up a healthy society. Promotion of yogic practices helps to build strong body and mind and work for betterment of all-round social well-being. Our health care program is currently limited to parts of Northern India only.

EDUCATION

The School initiative – Swami Vivekananda Arunoday Vidyalay (SVAV)

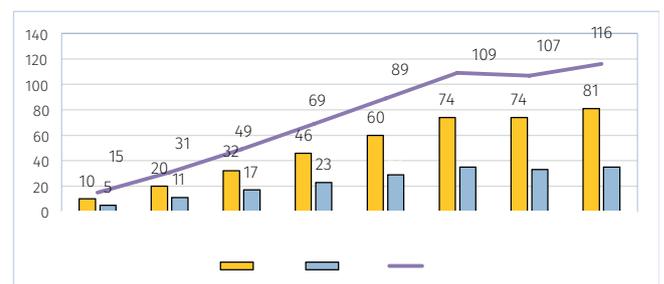
Swami Vivekananda said, “Education, education, education alone! Travelling through many cities of Europe and observing in them the comforts and education of even the poor people there, was brought to my mind the state of our own poor people, and I used to shade tears. What made the difference? Education was the answer I got.”

We believe that education plays a fundamental role in determining the prosperity and well-being of citizens. Investment in education can have a long lasting and sustainable impact on its citizen. It is the only long-term solution to the problem and challenges faced by humanity in general and India in particular.

At Swami Vivekanda Arunoday Vidyalay (SVAV) teaching isn't just a job to an educator, it's a calling. It's passion and commitment and a desire to amplify the voices and dreams of the many children whose lives touch them as much as the educator touches theirs. We believe that an educator is one of those people who goes farther than what is expected.

Established in 2013 predominantly for girl students, this co-educational school opened new avenues of learning for the children of underprivileged and economically weaker families living in the vicinity of Merino establishments. Started with just 15 students in its maiden year, the school now enrolls students from economically weaker families up to class VI and has a strength of 116 students.

The pandemic has affected the educational system not only in India but across the globe. School closures not only impact the students, teachers, and families, but have far-reaching economic and societal consequences. Despite the pandemic, as per our commitment, we ensured that the students graduating from Class VI continue their studies till they complete their Higher Secondary. We got all our 11 students (7 Girls & 4 Boys) of Class VI admitted in two very reputed schools in Hapur, Smt. Brahmadevi Saraswati Balika Vidya Mandir (for Girls) and Saraswati Bal Mandir (for Boys) respectively.





The school showing year wise growth of girls and boys along with total number of students

Academic Learning Challenges: Lockdown confined our children within their houses against their inherent and inquisitive nature of exploring things. Our teachers were continuously in touch with the students to keep them motivated. The teachers helped students in practicing yoga everyday morning and planned various creative activities, such as model making, essay writing, online recitation competition, etc.

of education. The theme was, 'What will the future classroom look like / How the learning will happen in 2050?' Alish Sagar from Class 5, who was one of the participants got selected as one of the top global artists of the year by HundrED (Finland) Ambassador community.

Training of Teachers – From Classroom to Digital teaching:

To help our teachers to transition from classroom teaching to online, we partnered with Socrates Foundation for Enhanced Learning, Pune, starting May 25, 2020 for two weeks. The training covered multiple topics to enhance their teaching skills, such as 5Es of lesson planning, Bloom's Taxonomy, Good questioning strategies, peer reviews, etc. The training helped the teachers to understand various tools and techniques that could enhance students' learning through digital mode.



Turning students to digital mode: The students were also ill-equipped for digital learning. A survey revealed that only 70% our students were having the smartphones. We provided smart phones to 24 students who were unable to arrange on their own, on interest free loan at a monthly instalment of ₹400/- to be repaid in two years.



In June, 2020, 9 students participated in Future Fingers Global Drawing Competition, a global campaign for drawing initiated by the HundrED Ambassadors to shape the future

New Admissions to Class-1: The lockdown led to a delay in admitting the new batch of children, however, to maintain the quality and standard of SVAV, we made no compromise in

the selection process. Out of over 300 applications received we shortlisted and selected 20 students and they all have gone through various stages of selection, such as, personal interview, written test, demonstration classes and finally home visit by senior officials to assess their economic status coupled with academic bent of mind and adaptability in the school environment.



Vidyarambha Sanskar: We always start the academic session for the new batch of Class-1 students with Vidyarambha Sanskar. This is a traditional ritual in which we offer prayers and conduct havan (offerings to fire). The pandemic caused a delay and we could do the Vidyarambha Sanskar only by end September by offering prayers to the Goddess of Knowledge, Maa Saraswati and handing over the School Bag, books and stationeries to the students.



Educational Scholarship Programs

Scholarship to Graduate Students: This scholarship program is currently being implemented in Northern India, at Hapur, Uttar Pradesh. We are committed to hand hold the students who have graduated from SVAV till they complete their Higher Secondary. Financial assistance (school fees and books) and academic support through structured coaching is provided to students graduating from SVAV to help them complete their education till 12th standard and ensure their academic standards are maintained along with fulfilling their nutritional needs. During FY FY 2020-21, 29 Students (20 girls + 9 boys), were imparted structured coaching and have also been provided with all financial support and guidance to continue their education in well-established private

secondary schools outside SVAV.

Yogakshema – Scholarship for bright and needy students:

Currently this program implemented in Eastern part of India, in Kolkata, West Bengal. Yogakshema was launched in September 2018 to help the poor and disadvantaged but meritorious students. The scholarship is offered for two years to those students who have scored over 80% in their 10th Board Examination. These students are offered a scholarship @ of ₹ 4000/- per month to help them complete class XI and class XII, and covers the expenses for their studies, some nutritional needs, and a Medclaim policy for the family.

This year Yogakshema inducted the 3rd batch of 20 students under its fold. The first batch of 20 students have passed their Higher Secondary examination with flying colours. All the students have scored over 80% out of which five students have scored over 90%. Considering the situation created by Corona, it was decided by the trustees to continue the scholarship for 7 outstanding students, through personal funding of Trustee(s) and their close relatives. The 2nd batch of 20 students are in their 2nd year. At present 40 students are benefitting from this scholarship Program. A career counselling session was also organised for students in which Mr. Rajarshi Banerjee, Career Counsellor, IBM guided the students on various options before them, other eminent guests were Dr. B N Karmakar, Chief Secretary and Dr. Sankhya Sanyal, Prof. of Physics from Jadavpur University.

To ensure that the scholars do not spend their scholarship money in unproductive private tuitions, HKMT has engaged six eminent teachers, who are taking online classes for English, Bengali, Physics, Chemistry, Mathematics and Biology respectively. The students are now attending each



class twice a week online. To assess their progress online examinations are also conducted by the teachers. To help students overcome the challenges of internet connectivity, subject wise video recording of the lectures are being developed.

To encourage students, express their talents, Yogakshema

program has started a quarterly in-house magazine named 'Abhi'. The first issue got published in March and was distributed among distinguished personalities in the field of education and other well-wishers. The talents were highly appreciated by all those who got the copy.

As most of the students are staying in a very small and congested rooms, they used to sit either on floor or bed for their studies, due to which some have developed spine problem. Understanding the need, Merino got folding tables and chairs designed with wall attachment. The students are now conveniently doing their studies on the folding tables and chairs which can be folded and kept when not in use and doesn't occupy any space.



Extending support in Rohad, Haryana

We believe in giving back to the society and try to help the communities around our establishment. Near our Merino campus in Rohad, Haryana we are providing mid-day meal to Savera School, Jhajjar, for mentally challenged children and to Bal Griha, Bahdurgarh, an orphanage for Girls. Through this program we are able to serve 85 inmates (50 boys+35 girls) of Savera School and 23 girls of the Bal Griha. Thus through mid-day meals we are able to meet the nutritional need of 108 children.

Supporting Students' families during lockdown

We not only take care of the academic performances of our students but also their nutritional needs to ensure their holistic development. Prior to lockdown at SVAV we used to offer students nutritious meals three times a day, i.e., Breakfast, Lunch and Supper, having a carefully selected menu for the week, to serve nutritious and tasty food to our students to ensure their physical and mental well-being.

The impact of the initial lockdown has been very severe for our students' families. A quick survey by the teachers, made us realise that many families don't even have the stock of ration at their homes to meet their day to day food requirement. To help our 127 students' families sustain themselves during the lockdown, we provided them raw food supplies, such

as Wheat-flour, Rice, Lentil, Oil, salt, sugar and vegetables. We had to carefully identify the families who needed our support, keeping in mind that we are not affecting their self-esteem in any manner. Between April and May, 2020, we have carried out 5 rounds of raw food supplies and distributed 262 food packets to help the families sustain themselves about 10 days. Apart from supporting our students' families, along with the local administration, we also distributed 1500 packets of raw food supplies to 1500 families helping them meet their ration requirement for about 10 days.



HEALTH CARE

Sankat Mochan Abhiyaan - Covid Awareness Campaign

Seeing the growing impact of the pandemic made us think of the safety of the citizens of Hapur residing around our factory. Thus to create awareness amongst the people of Hapur we launched the **Sankat Mochan Abhiyaan**. The literal meaning of **Sankat Mochan Abhiyaan** is, a campaign to resolve all the problems. Multiple activities have been undertaken under this campaign.

Awareness Campaign & Sanitation Drive: With the help of Local Area Representatives we covered 23 localities of Hapur, between July and October 2020. During this period, we organised door to door campaigns, put up banners, distributed pamphlets, medicines and also Ayush Kadha (sachets) for boosting immunity. We distributed 13800 units of medicines in the communities to help boost their

immunity. We covered 19 localities and did full sanitisation of streets and common gathering places. Local communities were engaged in carrying out this sanitization drive along with our office staff.

Daridra Narayan Seva – Blanket Distribution Drive: To serve the poor, the street dwellers and help them beat extreme cold of December we distributed 990 blankets. Our staff went out at night beating the cold to identify and serve those who needed it the most.

Intra Company initiatives – Safety & Awareness

Vaccination Drive: After the government opened up the Vaccination Drive for 45 years and above, Merino made it mandatory for all employees above the age of 45 to get vaccinated. Out of a total of 653 employees above 45 age, 97% got vaccinated for the first dose of Covid.

Sanitization of the Factory and Office premises: We have undertaken various safety measures to ensure our premises are safe. Extensive and routine sanitization of various factory units and office premises are being conducted, all the vehicles entering the factory premise are completely sanitized. For sanitization of documents we have placed ultraviolet disinfectant and microwave Ovens at various locations.



Touch free toilets, doors & water dispensers – To ensure touch-free operations we have installed 21 foot operated sanitizer mounts, 15 foot operated water dispensers, 6 foot operated wash basin and 4 sensor based wash basins. Apart from that we have also installed 18 foot operated door openers.

Awareness, Health monitoring and safety of employees: Given the alarming situation, we have undertaken all possible precautions to ensure the safety of employees. Monitoring the body temperature of all employees and conducting random testing of SPO2 levels on a daily basis has been done. At our Dispensary we have undertaken 154 Rapid Antigen Tests for suspected cases. Our team of in house Doctors, are providing online medical consultancy to the employees. 73 frontline employees have been provided with face shields

and masks. Also eligible employees have been allowed to work from home. Out of 850 employees working in Hapur 4.7 percent of employees are working from home. We have also



created 4 quarantine centres for suspected and confirmed cases to monitor their symptoms and providing medication and supplements. Apart from that immunity booster Kadha is served on an average 150 employees daily at Hapur. Till date we have conducted around 12 webinars on various topics to create awareness about health issues and corona.

Shri Prem Chand Lohia Health Centre' (SPCLHC) – Caring for lives



Health care facilities such as, OPD services, Treatment of TB Patients and Ayurvedic treatment to local people are provided through 'Shri Prem Chand Lohia Health Centre' (SPCLHC). Seeing the prevalence of TB cases in Hapur, Merino Group through SPCLHC has joined hands with the Dept. of Tuberculosis, Govt. of India, to eradicate TB. Currently the centre is providing TB treatment in about 42 villages of Hapur District, in Uttar Pradesh. SPCLHC also provides medical facilities to the needy patients in and around Hapur through mobile vans manned by qualified doctors. During the year 377 such trips were undertaken to provide medical services to the needy patients.

The health centre has four dispensaries with doctors and supporting medical staff to provide general OPD for patients and for treatment of TB in particular. Due to the lockdown only the dispensary located at our Factory in Achheja was operational for 307 days and the other located at Kasturi Bai Cold Storage (KBCS) remained open for 67 days. During the period 1283 out patients were treated and 15856 units of medicines were distributed. During the period 204 TB Patients were treated and 377 follow-up TB patients were taken care of. Through our allopathic treatment 219 patients got benefitted out of which 110 were the repeat patients.

Mask Ek Muskan Anek – Empowering Women

Mask has become a synonym to safety. To utilise the opportunity of shortage of masks and to help our student's families gain economic independence, we identified families interested in mask making. Initial training, standardised processes, and the raw materials were arranged to start production at their respective homes. The masks were charged at a subsidised rate of ₹10 per pair against a cost of ₹10.26 per mask. Out of ₹10.00 charged, ₹7.00 went directly to the women and ₹3.00 against material and other costs. Within two months we could increase the production of masks from 100 to 1200 a day. The project was named, "Mask Ek Muskan Anek" (Mask One Smile Many). This initiative brought smiles in the faces 27 families by helping their women to earn on an average ₹27700/- during the lockdown. A total of 1,30,000



masks produced during the period which gave our student's families financial stability and boosted their self-confidence.

Skilling women: Helping people to develop certain skills can enable them to earn or contribute to their family. Keeping this in mind Merino Group through HKMT have been running a stitching centre for females since September 2017. A total of 7 batches have been completed till date benefitting 90 students. Currently two teachers are imparting training to 16 girls and the duration of the course is for 4 months.

Sankat Mochan Abhiyaan – Phase-II

Crash Course for Volunteers on Home Care for Covid Patients Exclusively under guidance of Registered Medical Practitioner (RMP):

The country is witnessing an unexpected surge in Covid19 infections which has led to a near collapse of the entire Health Care System. Thus to support the district administration, Merino Group has initiated Sankat Mochan Phase-II, to train and engage young volunteers to support Covid patients at their home. HKMT in association with **Vinod Gupta Charitable Foundation**, has started a 4-week Crash Course from May 10, 2021, to train first batch 20 volunteers (10 Girls + 10 Boys) on Covid Care at Home, under the exclusive guidance of a RMP. The faculties from **Hillary Clinton Nursing School** functioning under the auspice of **Vinod Gupta Charitable Foundation** has been conducting the online Classes for 3 hours every day, followed by practical orientation of the volunteers by in-house medical team of Merino Group.

Setting up Oxygen Plant at District Government Hospital, Hapur:

Seeing the growing need and the scarcity of Oxygen supply, Merino has extended its helping hand to the local Government. It is now in the process of setting up a PSA Medical Oxygen Plant at the Government District Hospital, Hapur, that would cater to 100 patients per day and expected to be commissioned by the end of May 2021. The plant has a capacity of producing 30 Nm³ / hour, with an Oxygen purity of 93% - 95%.



'Nirmal' – Merino's enterprise - wide Sustainability & Environmental initiative

Performance report 2020-21



Don't be afraid of a small beginning, great things come afterwards.
Be courageous!

- Swami Vivekananda.

Nirmal Way of Sustainability in Merino

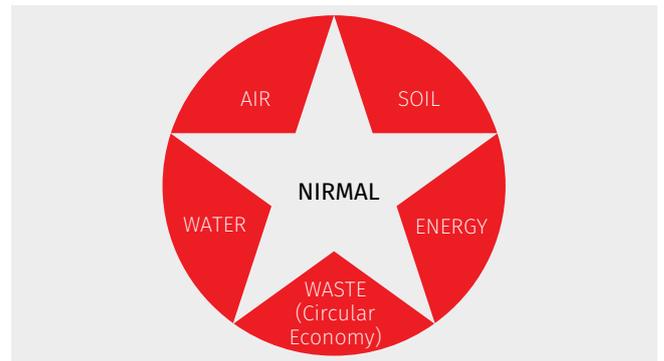
The understanding and working culture in the Merino (group) is inspired by - Parasparam Bhavayantah (परस्परं भावयन्तः). That is, Nurture each other. As per our ancient wisdom, the Living World or the Nature is made up of Five Great Elements, which are

- o Bhumi meaning Earth (भूमि)
- o Apah meaning Water (अप)
- o Analah meaning Fire/Energy (अग्नि)
- o Vayuh meaning Air (वायु)
- o Khah meaning Space (आकाश)

These five Great Elements encompass the total Eco System. Our conscious and sincere efforts to keep the Nature pure and clean by taking care of these Five Great Elements in all our operations and it will help us in fulfilling our Mission. That is, our Mission of "Universal Weal through Trade & Industry". Merino being a Business Organization, Trade and Industry are its means to create wealth for its Stakeholders sustainable to nature. The word Universal stands for the entire World- the gamut of Stakeholders in our case. The word "Weal" ensures that the wealth is created without harming any part of the World. As we keep this clean, and saved from impurities, Nature will be bountiful for all in this World. This is also our understandings about the sustainability. We call it as Nirmal Way. That is, the word Nirmal means Devoid of Impurities, or Pure. Hence, the sustainability in Merino is driven by our mission and embedded into "Nirmal" way of doing all operations / activities.

Merino group believes that the sustainable actions and outcomes create long term values by achieving a balance between economic, environmental and social performances.

In this context Merino has embarked upon a program called "Nirmal", which focuses on integrated, multi-dimensional and holistic transformation broadly covering five areas which are shown below:



Merino leadership strongly believes that the environment encircles the social and economic well-being. So, the factors sustaining environment have profound impact on business and society. This has inspired Merino group to follow the policy of Environment first.



Micro bio - diversity eco system inside factory premises at Merino Hapur

Merino over the period of time has expanded its manufacturing facilities beyond its existing set up at Hapur (Uttar Pradesh) and Rohad (Haryana) to Hosur (Tamil Nadu) and Dahej (Gujarat). It has made efforts to make campuses Green and focuses on improving Indoor Air Quality too by having selected indoor plants as it is also evident from the pictures below.



Administrative Block in Factory- MIL Hapur



Workstation with Indoor Plants in MIL Hapur

Since manufacturing involves usage of various resources like raw materials, water, fuel for power and heat generation etc. during the process so there are corresponding generation of ecological footprints of carbon, water, emissions and waste etc. Therefore, Merino is making a continuous improvement by focusing on optimization of resource usages and reductions in ecological footprints in terms of carbon, water, emissions and any kind of wastes. Merino has engaged external agencies and subject matter experts in addition to in-house Centre for excellency in planning, implementation and monitoring the projects which is considered a positive intervention to bring necessary impacts.

For the year under review, Merino retained The Energy and

Resource Institute (TERI) and Visvesvaraya National Institute of Technology (VNIT, Nagpur) to assist and complement Merino's in-house expertise and experience to assess carbon and water footprint and to adopt best practices in energy management, water management, creating value out of any process scrapes/wastes, greenhouse gas (GHG) management and soil management.

The group has been making sustained efforts to adopt concepts, practices and principles of circular economy to bring necessary reductions and reuse/recycling of any kind of wastes. Towards this too, many initiatives have been taken including collaboration with Academia. The report further elaborates on each of the identified areas by bringing out overview, key initiatives undertaken and the outcomes of these initiatives in following categories.

1. Energy
2. Water
3. Waste Management under Circular Economy principles
4. Air including care for emission & air quality
5. Soil Care through resilient agricultural practices & green activities

I. Energy management in Merino

Conventional resources based on fossil fuels are one of the prime carbon footprint contributors. Here the group has energy mission objectives to minimize Carbon Footprint of the Company to Ensure Universal Weal & Sustainability. There must be additional element to decrease the energy cost as well. At Merino, we believe that the future lies in renewable energy - one that fulfils our objectives of ecological sustenance and indigenous source of energy availability. To achieve this, Merino has formulated a three-pronged approach for effective energy management.

- 1) Energy Sources- Increase the share of renewable energy in Merino's total energy requirement. Here major focus is on solar energy and in-house energy production by using biogenic fuel (carbon neutral) like biomass and biogas.
- 2) Energy Efficiency- Constant efficiency upgradation through upgraded electrical appliances, machineries or improved technology in production, utilities and lightening systems.
- 3) Energy Conservation- Promoting an environmental friendly work culture & conservation of energy i.e. provision of natural light in all establishments,

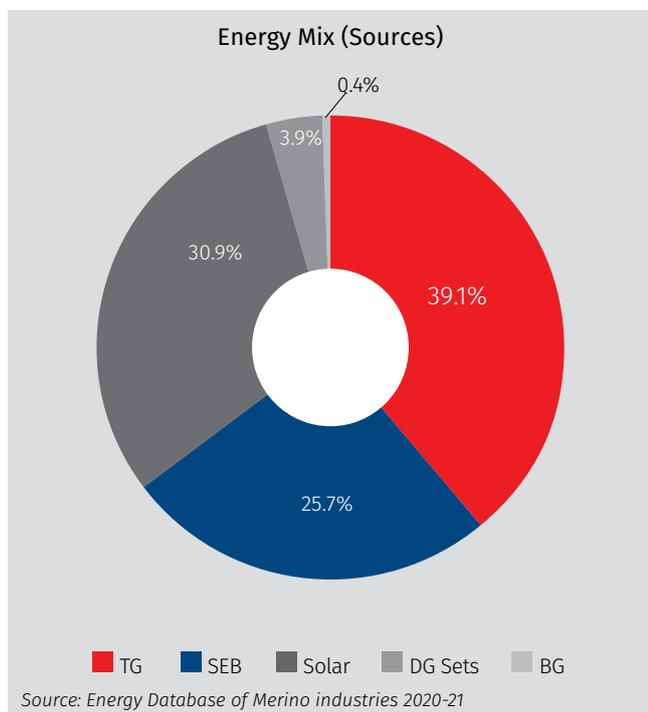
saving electricity through automation and humane responsibilities.

I.1 Energy Sources at Merino

At present, Merino fulfils its total energy requirement through a combination of both conventional sources of energy like fossil-based Diesel-Generators (DG Sets), State Electricity Boards (SEBs) and renewable /alternate energy resources namely, Solar, Biomass based turbines (TG) and Biogas plants (BG). However, over the time the group has increased the focus to fulfill entire energy demand from renewable sources, that are, from biomass and solar.

Renewable sources constitute around 70% of Total energy requirements of Merino

Constant engagement is the key attribute of sustainable practices. Merino now fulfils 70% of its total energy requirement from renewable and green sources through its years of proactive efforts. Powering this feat, there are biomass technology turbines (TG) and biogas plants (BG) that contribute 39.4% of the total energy requirement while solar power (Solar) accounts for 31%.



I.1.A. Biomass and biogas Power - The Green fuel

Reiterating its stand of environment first, Merino industries has taken several key steps that have reduced dependency on traditional power from fossil fuels-based DG-Sets or power from SEBs. The group has increased the installation and usage of alternative source of energy mainly solar.

Also, the in-house energy production by using biogenic fuel (carbon neutral) like biomass and biogas.

Biomass has emerged as an important fuel source in the fight against climate change. It is amongst the lowest carbon emission fuel among fuel-based technology for production of heat and power. In fact, energy experts agree that when one combines the economic and environmental character of energy sources, biomass tops the list as one of the best energy sources.



Merino uses agro-based industrial residues like rice husks and wood or wood product wastes produced in industrial operations like sawdust as major biomass fuel to generate heat and power. This not only helps in reducing carbon footprint but also creates sustainable livelihood options for people who manage these wastes in around 100 KM perimeter of the Merino Factory in Hapur.

Biomass, being the green fuel is our key fuel source at the Merino manufacturing units at Hapur. The power generated through the biomass turbines accounted for around 72 percent of total energy requirement of the two manufacturing units. Merino has harnessed 15.77 million kWh of electrical energy annually from biomass during 2020-21.

Combustible agricultural materials such as rice husk and biomass such as sawdust are used to generate heat in furnaces. This heat produces steam and power through turbines. This has created substantial value as energy harnessed from biomass is inexpensive as compared to coal and oil, costing about 33% less than fossil fuels.



Boiler Area of Co-Gen Plant in MIL-Hapur



Biogas plant in MIL- Hapur

Gases obtained from effluent treatment plants and organic decomposition of wastes in biogas plants are also used in power generation. The organization generates approximately 1,60,000 kWh unit of electrical energy through biogas generator thus utilizing the waste from potato flakes plant at Hapur.

I.1.B. Solar Power: Natural & low carbon footprint energy source

Solar power is the key to a clean energy in future. At Merino,

we have constantly emphasized on this by implementing installations of various solar systems/plants to power the group's growing power requirement. The group has installed around 9.43 MW solar system/plants that helps to generate 12.36 million kWh units of electrical energy during 2020-21 for production, utilities and lighting needs of four factories of Merino. This makes up for around 31% of the total energy requirement of all plants of the group.



Solar Panels on rooftops of factory in Hapur



Merino's ground mounted solar panels in Hissar

Merino has installed 1.98 MW solar system (rooftop) in Merino Panel Products (MPPL) manufacturing unit at Rohad plant and another 5.5 MW ground mounted solar system with tracker in Budak, Hissar (Haryana). These together take care of 89% of the energy needs therein .

The manufacturing unit of Dahej accounts for around 9% of energy needs from solar system installed in the campus. Hapur has two manufacturing units. Unit-1 has got 7% energy requirements from rooftop solar system while unit-2 has got 19% during 2020-21. Solar energy provides for around 4% of energy requirement at the manufacturing unit in Hosur from solar rooftop panels at factory premises. Solar as source of energy requirements in various plants of Merino as given in the table 1.

Table-1 Share of Solar energy in total energy requirements in various plants of Merino

Factory-Site	Share of Solar Energy
Hapur Unit-1	7%
Hapur Unit-2	19%
Rohad	89%
Dahej	9%
Hosur	4%

Source : Energy Database of Merino Industries, 2020-21

I.2 Energy Efficiency: Constant upgradation in appliances, electricals, tools, technology etc.

Energy efficiency is mainly done in Merino through upgradation or installations of new electrical appliances, machineries or improved technology in production, utilities and lightening systems.

Merino has installed Variable Frequency Drive (VFD) across the machines, boilers, pumps, compressors etc. to control the load fluctuations, save the electrical inputs and to gain overall efficiencies of these equipment/systems. Installations of Real Time Power Factor Correction System at needful places has improved the power factor & reduced the demand. Installations of active harmonics filters in required electrical fittings has also improved the power factor and helps us in saving the electrical demands.

Emphasis has been given on the installation of energy efficient (IE3) motors in production and other facilities at all establishments of Merino. The replacement of low efficiency centrifugal pumps with high efficiency pumps are done in many places to gain in operating efficiencies.

Merino's Hosur factory has 100 % IE3 motors while the Dahej unit has around 86 %. Other production units at Rohad and Hapur have also installed around 76% and 60 % IE3 motors respectively.

We are working towards achieving our objective of gradually replacing the entire motoring capacity with 100 per cent IE3 motors.

Replacements & Installations of Energy Efficient Motors (IE3 or above) as on 31st March 2021

Factory-Site	Share in all working motors
Hapur	60%
Rohad	76%
Dahej	86%
Hosur	100%

Source : Engineering Database of Merino Industries, 2020-21

Expansion in economic activities calls for an increase in lighting requirements for better and safe working environment at all Merino establishments. Therefore, the group has ensured optimal lighting system in all factories. However, it is being done with a gradual shift towards installation of LED lights by phasing out conventional Tube Lights/ Sodium/Mercury Halogen lights. LEDs now have replaced around 78% of conventional lighting and its usage has brought about a 30% saving in electrical consumption.

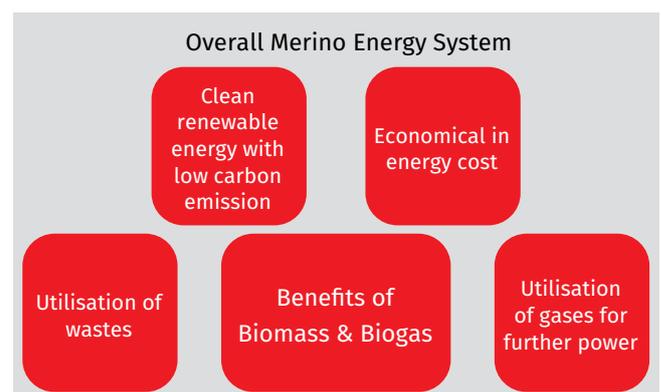
Our factories at Hosur, Rohad and Dahej have installed almost 100% LED lighting at their respective facilities and we are working towards replicating the same at the rest of our units across India.

I.3 Energy Conservation or direct savings in heat & electrical energy

We at Merino, always focus on energy savings at first place. That is, through automation and humane responsibilities. This is done through a continuous awareness about an environmental friendly work culture & conservation of energy possibilities. However, there are plenty of tangible processes and improvements measures which are helping the organization in the conservation of energy.

In last one year, OTIF projects were implemented, which minimize the material movement in factory premises & reduce the dispatch container loading time. Thereby reducing the total energy consumption by different material handling equipment's. Following are the other measures worth highlighting under these endeavors:

- Engineers have arrested the air ingress in the Air Pre-Heater in Steam boiler & Thermic fluid heater and system develop to closely monitor it. This is to save heat energy.
- Used the adiabatic cooler in the close loop circuit for cooling of press eliminating secondary cooling circuit by PHE and another water circulation pump. Such circuit help us to get high cooling efficiency and reduce the electrical demand.



- PLC based automation for cooling tower pumps for energy saving is in place.
- We keep power factor of the plant at 0.999, which allows to conserve the energy.

We understand the source of energy, gain in efficiencies and conservation practices ultimately determine and help us in reduced carbon footprint. The use of biomass and solar energy as fuel sources have helped in lowering carbon footprints. This has ensured Merino to have low carbon footprint in the product manufacturing. The study conducted by Visvesvaraya National Institute of Technology (VNIT), Nagpur for assessment of carbon and water footprint of industrial activities of Merino in Hapur using ISO 14044:2006 methodology for Life Cycle Assessment (LCA) & compliance to ISO 14064:2006 for Green House Gas (GHG) evaluation, shows that 4.34 kg CO2 equivalent to per laminate sheet production or 1.55 is the value of Global Warming Potential (GWP) intensity per KG of laminates production by Merino Industries and 1.05 kg CO2 equivalent to per kilogram of potato flakes production are GHG emissions in Hapur production facilities.

II. Water management

Ground water is the prime source of water supply at all the Merino establishments. A holistic approach had been undertaken for water management in and around the units with focus on conservation of ground water. These constructive conservation efforts can be classified into three key actionable implementations

- 1) Focused practices to reduce water consumption,
- 2) Recycle and reuse of water,
- 3) Replenishing and restoration of water sources.

The above principle also called 5R, that are, Reduce, Recycle, Reuse, Replenish and Restore.

II.1 Water Conservation/Reduced Water Consumption

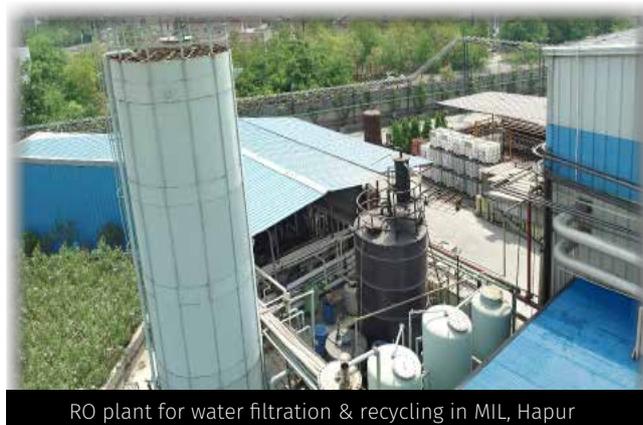
Saving water is the call of the hour. Maximize the use of every drop of water and also save every drop wherever possible are the twin concept, Merino has adopted across all operations at manufacturing units across India.

The group has installed 200 and 250 CHM Adiabatic Cooling Towers at Hapur plants. Replacing the conventional cooling tower with the upgraded Adiabatic Cooling Tower has helped us in saving more than 25,000 KL annually in Hapur plant. Our flash steam recovery system further helps us to save around 15 per cent of water used in steams.

All the manufacturing units of our group have moderated water consumption per unit of laminate produced. This is possible through increase in water efficiency by use of upgraded technology and better water management.

II.2 Recycle and Reuse of Water through ETP and STP

Another key aspect of our water management efforts is recycling of waste and unused water discharged from our manufacturing units. This is diligently implemented at all our manufacturing facilities using ETPs (Effluent Treatment Plants) and STPs (Sewerage Treatment Plants). The capacity of ETP and STP are of 250 and 70 KLD respectively in Hapur plants. These are helping to treat and recycling of over 100,000 KL of water annually in the Hapur premises.



The Rohad plant has installed capacity of ETP and STP of 50 and 100 KL per day respectively. It helps to make over 50,000 KL of reusable water annually from waste/used water in the premises.

Similarly, with the use of STPs in the manufacturing premises of Hosur and Dahej, the company reuses over 10,000 KL of water annually.

II.3. Replenishing and restoration of water sources: marching towards Zero discharge and double recharge



Merino has taken several initiatives to replenish and restore the ground water by setting up rainwater harvest systems at all establishments of the group. The rainwater harvest system is an effective way to naturally restore and replenish the ground water tables. Merino has installed rainwater harvest system with reservoir capacity of over 1,00,000 liters at Hosur.



The Achheja Gaon pond constructed and Maintained by Merino for ground-water recharge

The group has built reservoirs and installed ground water recharge system in and around the factory premises. Three such ponds have been developed to recharge ground water at Hapur. These are effective to restore nearly 5,53,815 KL of water cumulatively in a year.

Constant engagement and a holistic water conservation plan means that Merino is on the track to achieve its twin goals of zero discharge system and double recharge (recharging double of what we consume in our premises).

III. Waste Management with the principle of circular economy

A close look at nature reveals that nothing goes waste. Incorporating this philosophy, Merino has focused on reducing waste generation and further reusing these wastes through adoption of innovative ways to create value. Updating to technologically advanced machineries and implementation of raw material conservation practices has brought about a paradigm shift in waste management as the company moves steadily towards its long-term goal of zero waste. Infact, Merino is working to have Waste Recycle Positive Status means 'Creating positive value out of wastes.

Merino industries have adopted many innovative methods to reuse wastes. To start with, there is a system in place to collect all wastes and segregate into various categories like hazardous (non-recyclable), non-hazardous (recyclable),

organic, non-organic, liquid and solid. This helps to properly plan the reuse of recyclable wastes and carefully dispose the hazardous ones.

Combustible process wastes from manufacturing like residue of paper materials, laminates, panel products etc., are used in furnaces to generate heat used for drying the biomass (key source of energy in Hapur unit of Merino).

Ash generated from boilers and incinerators along with ash from NTPC power plant are used for manufacturing bricks and tiles. These are used for internal pavements inside the premises.

Organic wastes from processes and canteens as well are converted into manures through bio-conversion processes like use of bacteria or other micro-organisms. The manures obtained from organic wastes are used for plants/plantations in Merino establishments.

III.1. Treatment and reuse of wastes of potato flakes plant in Merino Industries

The potato flakes plant (PFP) is no different from the other facilities in waste management implementation. Wastes produced in different forms like liquids, semi solids are properly segregated, treated and reused. Liquid waste and sludge are processed in the effluent treatment plant (ETP). In ETP, the waste goes through USABR anaerobic decomposition process to produce biogases which are then channeled for electricity generation or is used for cooking purpose directly. This is further treated with aerobic decomposition process. Post this treatment, the released water is used for plantation, washing potatoes and flushing systems. Thus, this whole process helps in recycling of water and energy generation.

The decomposed (mineralized) slurry from the bio-gas plants is used as fertilizer in gardens, crops or plantation fields. Solid waste from potato peels and unused potatoes is collected and converted into compost. This compost is an effective manure for enrichment of soil in agricultural land. The annual production of compost from the potato flakes plant is around 50 metric tons.

III.2. Valuable Chemicals from Potato peel

The VEGIT plant of Merino produces a myriad of potato ready mix products which generates a significant amount of peel waste. A novel process developed by VNIT uses the potato peel waste (PPW) to make valuable products. A green method is devised to separate clean peel and residual starch slurry. The peel is used to extract valuable products like polyphenols and dietary fibers thus creating wealth

from waste. The starch slurry is used to generate energy by anaerobic digestion thus resulting into ZERO waste..

III.3. Paddy Straw Digestion System

The alarming situation caused by stubble burning in the Northern India due to recalcitrant nature of rice straw needs immediate attention. Being a lignocellulosic waste, it is difficult to decompose. In-Situ fast degradation by anaerobic digestion of rice straw is a suitable alternative option to produce a soil enriching compost. Recently joint collaboration of Merino and VNIT, a potential microbial culture is developed named paddy digesting culture (PDC) which is cost-effective and can efficiently work in the extreme climatic conditions of northern India. Two-stage solid-state digestion (dry anaerobic fermentation) followed by aerobic digestion of rice-straw without addition of water is conducted. Bioreactor volume is equivalent to that of wet rice straw and no post separation operation is required. Each stage is continued for 20 days, total digestion time being 1.5 months. The experiments are conducted for 500 grams of rice straw at lab scale and scaled up to 1 tons of rice straw at pilot scale at Merino Hapur factory. The rice straw is finally reduced to a high quality brown compact value-added composted biofertilizer with 10-11 C: N ratio.

IV. Care for emission and air quality

Reiterating the group's engagement in sustainable practices, all the manufacturing units at Merino diligently adhere to maintain lower emission than stipulated under manufacturing activities to bring about a positive and real change.

A major part of Merino's cooling needs is addressed by VAM chillers that use waste heat instead of the conventional compressor run on refrigerant gases. Wet scrubbers installed in our lamination plants at Hapur, Rohad and Dahej help to

control air pollution.

Along with this there are electrostatic precipitators and bag filters in manufacturing units to control emission. The chillers in the production units for process and comfort cooling operate on the latest technology and are more environmentally friendly than the conventional cooling system.

An important aspect of industrial emission is ozone depleting gases (ODG) that get released in the atmosphere. At Merino, we have addressed to mitigate this through proper knowledge, training and technological upgradation.

Chlorinated Fluorocarbon (CFC) refrigerants have been replaced by the technologically advanced hydrofluorocarbons (eg R-410A) refrigerant in over 376 tons of refrigeration (TR) systems annually. This has helped to mitigate equivalent amount of ODG from the environment. Merino's plants at Hosur and Dahej have complete refrigeration facilities based on Non-CFC refrigerants.

Based on our sustainable practices, waste at our facilities is directly converted into useful gases and composts without greenhouse gas emission into the environment. This has significantly improved the air quality in and around our establishments. Further use of biomass and solar energy as fuel sources have helped in lowering carbon footprints.

The transformation of biomass (and its embodied "biogenic" carbon) into products has brought about effective carbon sequestration as these products effectively stores CO₂ over a period of time. Thus, the use of biomass contributes in reduction in CO₂ level in the atmosphere and addresses the key issue of global warming.

V. Sustainable agriculture, Care for Soil & Green Activities

V.1. Sustainable agriculture

Sustainable farming and soil conservation form the ethos of our agricultural division at Merino. Leveraging the domain knowledge of national agricultural institutes like ICAR and State Universities experts, we have implemented a host of projects to develop SAP (Standardized Agronomic Practices) for our catchment area.

The primary goal of these initiatives has been to promote locally adaptable farm practices, need based usage of agricultural inputs to sustain soil health and crop ecology and also to increase income of huge number of farmers associated with Merino group.



Monitoring of Air Quality in Merino factory, Hapur

Innovative methods adopted for nutrient management based on soil test values and Integrated pest management have transformed the farm practices. Not only has the usage of pesticides and fertilizers reduced by around 49% and 20% respectively, the targeted yield and quality have also improved significantly. The SAP have been implemented in potato, maize and paddy crops covering 1400 acres of land during last years.



Crop fields of Merino



Vermicompost made by Merino for soil organic care

This exemplary practices of Merino is rated as one of the best examples of public private association by Dr. Ashok Dalwai, Chairman “Doubling farmers income by 2022 mission committee” & Additional secretary, Ministry of Agriculture Cooperation and Farmers Welfare, Government of India, during a seminar organized by National Horticultural Research and Development Foundation, Delhi on 12th of March, 2019.

V.2. Enriching soils with natural composts/manures

Taking a constructive step towards soil biological health and its conservation, Merino is engaged in enriching carbon content of soil using bio manures and desired soil

health management practice. The group produces quality vermicompost to the tune of 200,000 kg annually. The vermicompost besides enriching soil health also minimizes dependence on the chemical fertilizers on around 80 hectare of farming lands. Overall, the ecofriendly farming practices at Merino help in achieving the carbon sequestration of around 12,000 kilo tons of CO2 equivalent annually as environmental care along with sustaining the soil health.

V.3. Afforestation/Agroforestry by Merino

We know we depend on trees/plants for our survival, from the air we breathe to the wood we use. Besides providing habitats for animals and livelihoods for humans, these also offer watershed protection, prevent soil erosion and mitigate climate change.



A clean & green lane inside the factory of Merino, Hapur

Merino has brought afforestation and also the expansion of agroforestry under its centerstage of green dive activities. All establishments of Merino are taking targets to increase green cover inside and outside its premises. In year 2020-21, over 7000 trees sampling are paced into its two factory premises of Hapur. Under its agroforestry, more than 2000 poplar trees and bamboos over 5 acres of land are grown up.



Merino's Agroforestry and along farm fields

These green activities like plantations, farming and agroforestry do the carbon sink or carbon sequestration. Together around 14,000 tons of CO2 equivalent GHG has been effectively removed annually through Merino's green initiatives.



Vermicompost bed in Bamboo forestry by Merino

V.4. Soil Care

There is the need of hour to bring improvements in soil health using organic inputs. Commonly available compost lacks the crop/soil specific nutrients and bio agents. Also there is the need to minimize the dependence on inorganic fertilizers and saving forex and contributing to NMSA (National Mission for Sustainable Agriculture).

Therefore, the development of soil crop/soil specific and cost-effective organic manure customized with major and micro-nutrients and bio agents/catalysts are under progress by Merino with collaboration with VNIT. This shall be as per the quality standards defined under FCO, Govt of India for improving and sustaining physical, chemical and biological health of soil.

V.5. Gau Shala

Merino has taken initiative to establish the economic and ecological sustainability of a small dairy farm with scientific but traditional wisdom as well. It has focused on to utilize the existing herds and establish the contribution of retired animals, those have served in productive life cycle. Along the improved milk yield, the economic utilization of Cow dung and Gomutra are work in progress.

V.6. Miywaki in Merino

Merino has taken many of positive initiatives to have afforestation inside all its establishments. Adoption of

'Miywaki Method' to grow forests at fast pace inside the manufacturing campus in Hapur is one of such endeavors.

In Miyawaki method more saplings close by support each other are placed to grow the plants fast. This also blocks sunlight from reaching ground which prevents weeds from growing and it keeps the soil moist. Also, the only direction from which sunlight is available is top, so saplings move upwards to get sunlight instead of growing sideways. This makes the saplings grow taller in very less time.

We have followed the expert advisory to grow 'Miyawaki Jungle' while placing the 600 saplings into area of 320 square yards (240*12 feet), in a narrow lane between two large work-shades in the furniture factory of Merino in Hapur. Plenty of native species with variations in varieties are chosen to ensure the natural survival and ecological development in this Jungle/forest. This will also ensure the multilayers of plants, that are, canopy layer, tree layer, sub-tree layer and shrub layer would be formed in mature stage of this forest.

Composition of Varieties/Species of Samplings in Miyawaki of Merino

	Varieties	Number of Plants	Share
Fruit Bearing Trees	12	378	63%
Timber Trees	22	66	11%
Deciduous (Soil Enriching)	8	48	8%
Evergreen Medicinal Plants	9	54	9%
Evergreen Flowering Plants	18	54	9%

Source : Plantations Division of Merino

12 varieties of Fruit bearing trees such as Indian gooseberry, pomegranate, plum, Guava, jackfruit, custard apple etc. are paced. These constitute 63% of the total trees in this forest. 22 varieties of Timber (large) Trees species like Teak, Sheesham, Arjun, sacred fig etc. are constituting 11% of the total trees in the forest. 8 varieties of deciduous plants like chebulic myrobalan, tamarind, Junglee Jalebi, Thor etc. are around 8% of total trees in this forest. 9 varieties of Evergreen Medicinal plants like curry leaves, Neem, Putranjiva, Semur, Tuma etc. and 18 varieties of flowering plants like cassia fistula, plumeria, royal poinciana, night jasmine, bauhinia variegata, Kanak, Mualsari, Mulberry etc. are being grown in this forest.



Sampling done on 24 December 2018 in MIL unit 2, Hapur

Miyawaki Methodology

- One-meter-deep pit dug and 3-4 native saplings per square meter are planted.
- In soil preparation or mulching organic manure like vermicompost are used.
- Support sticks inside the soil are placed to ensure plants don't bend.
- Paddy straws used to cover the soil to maintain its moisture & contain the weeds growth.
- Different species of plants are next to each other.



Trees in 'Miyawaki' forests after 24 months from sampling time

Multilayers of plants, that are, canopy layer, tree layer, sub-tree layer and shrub layer are being formed within very short span of time in the picture taken from above. It is expected to give the forest different species of plants like shrub layer (6 feet), sub-tree layer (6-12 feet), tree layer (20-40 feet) and canopy layer (above 40 feet).



The Picture show the Miyawaki forest between two upcoming large work-shades in Merino

INDEPENDENT AUDITOR'S REPORT

To the Members of Merino Industries Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Merino Industries Limited** ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the

Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our

audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
 - 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 40 (a) to the financial statements;
 - b. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses if any, on long term contracts including derivative contracts; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down

Singhi & Co.

Chartered Accountants

under Section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

B. L. Choraria
Partner
Membership No. 022973
UDIN :21022973AAAAGT9791

Place: Noida (Delhi NCR)
Dated: September 03, 2021

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Merino Industries Limited of even date)

- i. In respect of the Company's Property, Plant & equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant & equipment.
 - b. The company has a phased programme of physical verification of its property, plant and equipment, which in our opinion, is reasonable having regard to the size of the company and the nature of its property, plant and equipment. Management has physically verified certain property, plant and equipment during the year and as informed to us, no material discrepancies were noticed as compared to books of account.
 - c. On the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for freehold land which has been transferred to the company pursuant to the scheme of Amalgamation amounting to Rs. 2709.50 Lakhs which is pending to be transferred in the name of the company.
- ii. Inventories (except stock stored in cold storage with third parties and stock in-transit) were physically verified during the year by the management. In respect of inventory stored with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable, and no material discrepancies were noticed on physical verification.
- iii. The unsecured loans granted by one of the Amalgamating companies were transferred to the company pursuant to Scheme of Amalgamation which were repaid to the company before March 31, 2021. The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act' 2013.
- iv. The company has complied with the provisions of section 186 of the act in respect of investments made. However, the company has not granted any loan and provided guarantee under section 185 of the act.
- v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder with regard to the deposits accepted from the public are not applicable to the company.
- vi. The company is required to maintain cost records pursuant to the rules made by the central government for the maintenance of cost records under sub-section (1) of section 148 of the Act. We 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 determining whether they are accurate or complete.
- vii. a) According to the records of the Company, the Company is generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, Goods and Service Tax, custom duty, Income tax, Cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year – end for a period more than six months from the date they became payable.
b) There are dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax and entry tax on account of disputes as stated below:

Nature of Dues	Amount Involved (Rs in Lakhs)	Amount paid under Protest (Rs in Lakhs)	Forum where the dispute is pending	Period
Income Tax excluding Interest Post Order	1.50	-	Assessing Officer	A.Y. 2007-08
	264.98	51.12	CIT (Appeals)	A.Y 2012-13
	365.93	223.19	CIT (Appeals)	A.Y 2012-13
	772.22	304.44	CIT (Appeals)	A.Y 2013-14
	3.90	-	CIT (Appeals)	A.Y 2013-14
	30.09	4.52	CIT (Appeals)	A.Y 2014-15
	1,831.18	228.00	Income Tax Appellate Tribunal	A.Y 2014-15
	208.62	41.72	CIT (Appeals)	A.Y 2015-16
	546.32	-	Income Tax Appellate Tribunal	A.Y 2016-17
	230.22	35.19	CIT (Appeals)	A.Y 2017-18
	12.27	-	CIT (Appeals)	A.Y 2018-19
Central Sales tax excluding penalty and interest	26.01	13.00	Additional Commissioner	2014-15
	186.19	51.00	Deputy Commissioner	2015-18
	26.07	28.64	Appellate Tribunal	2011-12
Sales Tax excluding penalty and interest	4.60	-	Assessing Officer	2014-15, 2016-18
	10.98	7.50	Deputy Commissioner	2015-18
	13.19	-	Joint Commissioner	2015-16
Entry Tax excluding penalty and interest	0.76	-	Deputy Commissioner	2015-18
	15.51	25.20	High Court	2001-02, 2002-03
Service Tax including penalty, excluding interest	45.87	-	Assistant Commissioner	2003-12, 2015-17
	2.63	0.46	CESTAT	2009-10, 2015-17
	19.02	0.14	Commissioner	2015-17
	2.80	-	Additional Commissioner	2005-06
Excise duty including penalty, excluding interest	69.08	13.46	Assistant Commissioner	2000-07, 2012-13, 2014-15
	93.21	-	Additional Commissioner	1988-89, 2005-06, 2009-10
	1,560.73	10.00	Commissioner	2005-11, 2015-17
	137.19	-	High Court	2015-16
	82.80	10.00	Tribunal	1991-92, 1992-93
1,510.30	-	Supreme Court	2009-16,	
Custom Duty excluding penalty and interest	1.45	-	Assistant Commissioner	2012-13
	13.05	3.50	CESTAT	2004-05
	14.32	5.00	Commissioner	2002-03

- viii. The Company has not defaulted in repayment of dues to bank and financial institution. The Company did not have any borrowing from the Government and dues to debenture holders.
- ix. The company has not taken any term loan during the year. Loan taken in previous year and utilised during the year was applied for the purpose for which it was raised. The company has not raised any moneys by way of Public issue/ Follow-on offer.
- x. Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers/employees, has been noticed or reported during the year.
- xi. Based on our examination of the record of the Company, the Company has paid/provided for managerial remuneration in accordance with the provision of section 197 read with schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. Based on our examination of the books and records of the Company, all transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Therefore, provisions of this clause are not applicable to the company.
- xv. To the best of our knowledge and belief and according to the information and explanations given to us, the company hasn't entered into any non-cash transactions with directors or persons connected with him. Therefore, provisions of this clause are not applicable to the company.
- xvi. Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, therefore provisions of this clause are not applicable to the company.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

B. L. Choraria
Partner
Membership No. 022973
UDIN :21022973AAAAGT9791

Place: Noida (Delhi NCR)
Dated: September 03, 2021

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Merino Industries Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the company 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. 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 respective company’s policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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.

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 over Financial Reporting

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.

Limitations of Internal Financial Controls over Financial Reporting

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 over financial reporting 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

In our opinion, to the best of our information and according to the explanations given to us, 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

B. L. Choraria
Partner
Membership No. 022973
UDIN :21022973AAAAGT9791

Place: Noida (Delhi NCR)
Dated: September 03, 2021

Merino Industries Limited
Balance Sheet as at 31st March, 2021

(Rupees in lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a)	48,055.27	49,369.44
(b) Right of use assets	3 (a)	3,298.30	4,024.43
(c) Capital work-in-progress	3(b)	1,645.91	1,986.26
(d) Other intangible assets	3(c)	83.88	163.27
(e) Financial assets			
(i) Investments	4	32,567.65	11,100.23
(ii) Loans	5	382.36	371.06
(iii) Other financial assets	6	2.33	2.26
(f) Other non-current assets	7	393.66	307.97
Total non-current assets		86,429.36	67,324.92
(2) Current assets			
(a) Inventories	8	34,539.38	43,932.13
(b) Biological assets other than bearer plants	9	722.40	658.21
(c) Financial assets			
(i) Investments	10	5,652.41	1,736.48
(ii) Trade receivables	11	15,161.19	17,745.95
(iii) Cash and cash equivalents	12	2,350.27	3,178.54
(iv) Other bank balances	13	40.32	2,142.78
(v) Loans	14	313.75	3,554.97
(vi) Other financial assets	15	521.46	867.54
(d) Current tax asset (Net)	16	2,557.59	2,357.54
(e) Other current assets	17	2,845.83	3,395.18
Total current assets		64,704.60	79,569.32
Total assets		1,51,133.96	1,46,894.24
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	1,127.94	708.32
(b) Other equity	19	1,02,484.58	89,537.23
Total equity		1,03,612.52	90,245.55
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	3,871.05	6,600.61
(ii) Other financial liabilities	21	4.49	15.83
(iii) Lease liabilities		575.29	985.06
(b) Deferred tax liabilities (net)	22	2,815.87	2,369.08
(c) Other non-current liabilities	23	84.30	90.40
Total non-current liabilities		7,351.00	10,060.98
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	9,846.17	14,833.34
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	1,252.60	157.55
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,265.20	18,957.13
(iii) Other financial liabilities	26	7,549.56	9,064.26
(iv) Lease Liabilities		279.15	567.30
(b) Other current liabilities	27	2,448.51	2,094.38
(c) Provisions	28	672.31	900.00
(d) Current tax liabilities (Net)	29	856.94	13.75
Total current liabilities		40,170.44	46,587.71
Total liabilities		47,521.44	56,648.69
Total equity and liabilities		1,51,133.96	1,46,894.24

General information and Significant Accounting Policies are given in notes numbered 1 and 2

The accompanying notes numbered 1 to 56 are an integral part of the Financial Statements

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Registration Number : 302049E

For and on behalf of the Board of Directors

B.L.Choraria
Partner
Membership Number : 022973

Rup Chand Lohia
Executive Chairman
DIN : 00063290
Place : Bangalore

Prakash Lohia
Managing Director
DIN : 00063274
Place : Hapur (U.P)

Place : Noida (Delhi NCR)
Date : 3rd September, 2021

Sachin Selot
Chief Financial Officer

Place : New Delhi
Date : 3rd September, 2021

Bala Ji
Company Secretary
M. No.- F9919
Place : New Delhi

Merino Industries Limited
Statement of profit and loss for the year ended 31st March, 2021

(Rupees in lakhs, unless otherwise stated)

Particulars	Notes	2020-21	2019-20
INCOME			
Revenue from operations	30	1,29,688.30	1,47,372.22
Other income	31	4,197.51	1,849.76
Total Income		1,33,885.81	1,49,221.98
EXPENSES			
Cost of materials consumed	32	57,626.58	68,782.13
Purchases of stock-in-trade		6,727.39	6,832.86
Changes in inventories of finished goods, stock-in-trade, work-in-progress and biological assets	33	904.63	(1,248.71)
Employee benefits expense	34	16,345.69	18,508.50
Finance costs	35	1,816.97	2,100.31
Depreciation and amortization expenses	36	5,668.62	5,878.49
Other expenses	37	27,103.75	32,452.13
Total expenses		1,16,193.63	1,33,305.72
Profit before tax		17,692.18	15,916.26
Tax Expenses			
- Current Tax	38	4,129.03	4,192.57
- Deferred Tax		377.32	(1,219.79)
Total tax expenses		4,506.35	2,972.79
Profit for the year from continuing operations		13,185.83	12,943.47
Other comprehensive income			
<i>Items that will not be reclassified to profit or (loss)</i>			
Remeasurements of post-employment benefit obligations		266.71	(53.57)
Changes in fair value of FVOCI equity instruments		3.89	(0.11)
Deferred tax relating to those items		(69.48)	12.56
Total Other Comprehensive income for the year, net of tax		201.12	(41.11)
Total Comprehensive income for the year		13,386.95	12,902.36
Earnings per equity share			
Basic earnings per share	39	117.95	115.78
Diluted earnings per share		117.95	115.78

General information and Significant Accounting Policies are given in notes numbered 1 and 2

The accompanying notes numbered 1 to 56 are an integral part of the Financial Statements

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number : 302049E

B.L.Choraria

Partner

Membership Number : 022973

Place : Noida (Delhi NCR)

Date : 3rd September, 2021

For and on behalf of the Board of Directors

Rup Chand Lohia

Executive Chairman

DIN : 00063290

Place : Bangalore

Prakash Lohia

Managing Director

DIN : 00063274

Place : Hapur (U.P)

Sachin Selot

Chief Financial Officer

Place : New Delhi

Date : 3rd September, 2021

Bala Ji

Company Secretary

M. No.- F9919

Place : New Delhi

MERINO INDUSTRIES LIMITED

Cash flow statement for the year ended 31st March, 2021

(Rupees in lakhs, unless otherwise stated)

Particulars	2020-21	2019-20
A. Cash flow from operating activities :		
Net profit before tax as per statement of profit and loss:	17,692.18	15,916.26
Adjustment for :		
Depreciation and amortisation expenses	5,668.62	5,878.49
Loss on sale/disposal of property, plant and equipment (net)	118.02	60.58
Provision for standard assets	-	1.82
Loss/ (profit) on fair valuation of derivatives measured at FVTPL	(214.24)	267.62
Finance costs	1,816.97	2,100.31
Bad debts and advances written off	113.02	28.19
Loss allowance for expected credit losses on trade receivable	-	116.45
Unrealised foreign exchange loss / (gain)- (net)	(500.03)	438.85
Loss / (Profit) on sale of investment (net)	(95.17)	(3.69)
Fair value changes of financial assets measured at FVTPL	(1,166.61)	(30.39)
Interest Income from financial asset at amortised cost	(1,295.66)	(1,032.03)
Dividend income from long term investments measured at FVTPL	(16.83)	(15.74)
Recovery of Bad Debts	(25.43)	(17.60)
Income due to amortisation of government grants	(6.09)	(6.09)
Provision/Liabilities no longer required written back	(166.73)	(149.27)
Operating profit before working capital changes	21,922.02	23,553.76
Adjustments for :		
Trade receivables	2,452.76	2,109.61
Non-current/current financial and other assets	2,621.80	(2,364.69)
Inventories	9,392.75	(4,576.68)
Biological assets other than bearer plants	(64.19)	21.65
Trade Payables	(335.21)	1,929.52
Non-current/current financial and other liabilities/provisions	690.50	2,021.88
Cash generated from operations	36,680.43	22,695.05
Net direct taxes paid	(3,608.96)	(5,707.74)
Net Cash from operating activities	33,071.47	16,987.31
B. Cash flow from investing activities :		
Purchase of property,plant & equipment	(4,309.51)	(10,006.16)
Purchase of intangible assets	(8.18)	(36.63)
Proceeds from sale of property,plant & equipment/intangible assets	137.92	109.11
Purchase of investment	(4,980.85)	(4,081.47)
Proceeds from sale of investment	2,251.02	1,877.05
Interest income	865.10	982.56
Dividend income	16.83	15.74
Investment in fixed deposits	(20,769.74)	(2,050.60)
Net cash flow used in investing activities	(26,797.41)	(13,190.40)

MERINO INDUSTRIES LIMITED

Cash flow statement for the year ended 31st March, 2021

(Rupees in lakhs, unless otherwise stated)

Particulars	2020-21	2019-20
C. Cash flow from financing activities :		
Proceeds from long-term borrowings	-	5,912.60
Repayment of long term bank borrowings	(2,748.41)	(1,405.52)
Increase/ (decrease) in cash credit/working capital facilities	2,314.09	(1,494.40)
Proceeds from short-term loans from banks	-	4,500.00
Repayment of Short-Term loans from Banks	(4,500.00)	(7,000.00)
Proceeds from demand loan from body corporate	-	4,009.72
Repayment of demand loan from body corporate	-	(4,009.72)
Proceeds from unsecured Loan (net)	-	1,043.49
Repayment of unsecured Loan (net)	(2,801.26)	-
Loan to related parties (net)	3,198.03	(721.40)
Payment against lease liabilities	(588.38)	(523.81)
Payment for shares pursuant to Business Combination	(20.00)	(28.00)
Interest paid	(1,712.00)	(2,047.77)
Dividend paid	(244.40)	(251.95)
Dividend distribution tax paid	-	(171.09)
Net cash from financing activities	(7,102.33)	(2,187.85)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(828.27)	1,609.06
Cash and cash equivalents at the beginning of the year	3,178.54	225.76
Acquired through Business Combination	-	1,343.72
Cash and cash equivalents at the end of the year	2,350.27	3,178.54

Disclosure requirement as per IND AS 7

Change in Liability arising from financing activities	31st March 2020	Cash Flow	Non Cash Changes		31st March 2021
			Others	Foreign Exchange	
Long-Term Borrowings	9,468.45	(2,748.41)	-	(295.19)	6,424.85
Short-Term Borrowings	14,833.34	(4,987.17)	-	-	9,846.17
Lease liability	1,552.36	(588.38)	(109.54)	-	854.44

General Information and Significant Accounting Policies are given in Notes numbered 1 and 2.

The accompanying notes numbered 1 to 56 are an integral part of the Financial Statements

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number : 302049E

For and on behalf of the Board of Directors

B.L.Choraria

Partner

Membership Number : 022973

Rup Chand Lohia

Executive Chairman

DIN : 00063290

Place : Bangalore

Prakash Lohia

Managing Director

DIN : 00063274

Place : Hapur (U.P)

Sachin Selot

Chief Financial Officer

Place : New Delhi

Date : 3rd September, 2021

Bala Ji

Company Secretary

M. No.- F9919

Place : New Delhi

Place : Noida (Delhi NCR)

Date : 3rd September, 2021

MERINO INDUSTRIES LIMITED
Statement of changes in equity for the year ended 31st March, 2021

(Rupees in lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
As at 1st April 2019		1,047.03
Add: During the year		-
Less: Cancellation of shares pursuant to Business Combination	18	338.71
As at 31st March 2020		708.32
Add: Share issued pursuant to Business Combination	18	419.72
Less: Cancellation of shares pursuant to Business Combination	18	0.10
As at 31st March 2021		1,127.94

B. Other equity

Particulars	Notes	Shares allotment pending under Business Combination	Statutory Reserve	Capital Reserve	Capital Redemption reserve	Revaluation Reserve	Securities Premium Reserve	General Reserve	FVOCI - equity instruments	Retained earnings	Total other equity
Balance as at 1st April 2019	19	-	-	-	-	-	87.48	6,791.92	3,506.80	37,201.00	47,587.20
Transfer from amalgamating companies pursuant to Business Combination		419.72	233.59	262.46	3.16	365.65	300.00	3,176.20	-	30,417.45	35,178.23
Addition/Elimination pursuant to Business Combination		-	-	(1,938.02)	-	-	-	-	(3,501.23)	-	(5,439.25)
Profit for the year		-	-	-	-	-	-	-	-	12,943.47	12,943.47
Other comprehensive income/(Expenses) (net of tax)		-	-	-	-	-	-	-	(1.03)	(40.09)	(41.12)
Total comprehensive income for the year		419.72	233.59	(1,675.56)	3.16	365.65	300.00	3,176.20	(3,502.26)	43,320.83	42,641.33
Interim dividend on Equity Shares for the year		-	-	-	-	-	-	-	-	(492.34)	(492.34)
Dividend distribution tax on interim dividend on Equity Shares		-	-	-	-	-	-	-	-	(171.09)	(171.09)
Transfer to/(from) general reserve/(retained earnings)		-	-	-	-	(365.65)	-	1,309.54	-	(943.89)	-
Adjustment pursuant to Business Combination		-	-	-	-	-	(27.86)	-	-	-	(27.86)
Balance as at 31st March 2020	19	419.72	233.59	(1,675.56)	3.16	-	359.62	11,277.66	4.54	78,914.51	89,537.23

MERINO INDUSTRIES LIMITED

Statement of changes in equity for the year ended 31st March, 2021

(Rupees in lakhs, unless otherwise stated)

Particulars	Notes	Shares allotment pending under Business Combination	Statutory Reserve	Capital Reserve	Capital Redemption reserve	Revaluation Reserve	Securities Premium Reserve	General Reserve	FVOCI - equity instruments	Retained earnings	Total other equity
Balance as at 1st April 2020	19	419.72	233.59	(1,675.56)	3.16	-	359.62	11,277.66	4.54	78,914.51	89,537.23
Profit for the year		-	-	-	-	-	-	-	-	13,185.83	13,185.83
Other comprehensive income/(Expenses) (net of tax)		-	-	-	-	-	-	-	1.55	199.58	201.13
Total comprehensive income for the year		-	-	-	-	-	-	-	1.55	13,385.41	13,386.96
Transfer to/(from) general reserve/(retained earnings)		-	-	-	-	-	-	1,318.59	-	(1,318.59)	-
Shares issued pursuant to the Business Combination		(419.72)	-	-	-	-	-	-	-	-	(419.72)
Adjustment pursuant to Business Combination		-	-	-	-	-	(19.90)	-	-	-	(19.90)
Balance as at 31st March 2021	19	-	233.59	(1,675.56)	3.16	-	339.72	12,596.25	6.09	90,981.33	1,02,484.58

General information and significant accounting policies are given in notes numbered 1 and 2

The accompanying notes numbered 1 to 56 are an integral part of the financial statements.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number : 302049E

B.L.Choraria

Partner

Membership Number : 022973

Place : Noida (Delhi-NCR)

Date : 3rd September, 2021

For and on behalf of The Board of Directors

Rup Chand Lohia

Executive Chairman

DIN : 00063290

Place : Bangalore

Prakash Lohia

Managing Director

DIN : 00063274

Place : Hapur (U.P)

Sachin Selot

Chief Financial Officer

Place : New Delhi

Date : 3rd September, 2021

Bala Ji

Company Secretary

M. No.- F9919

Place : New Delhi

MERINO INDUSTRIES LIMITED

Notes to the financial statements

1. General Information

Merino Industries Limited ("the Company") is a public limited company domiciled in India, and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata - 700020, India. The Company is engaged in manufacturing and marketing of Decorative Laminates, Prelam Boards, Furniture, Potato Flakes, Acrylic Solid Surface and Agricultural Produce.

2. Summary of significant accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rule 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules 2016, other relevant provisions of the Act and other accounting principles generally accepted in India. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

(ii) Historical cost convention

The financial statements have been prepared as a going concern on accrual basis and under the historical cost convention except for the following assets and liabilities which have been measured at their fair value or revalued amounts:

- Certain financial assets and liabilities measured at their fair value (refer note no. 2.5 accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at their fair value.
- Biological assets other than bearer plants.

2.2 Property, Plant and Equipment and Depreciation

- (a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- (b) Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss.

- (c) Capital work in progress is stated at cost and includes pre-operative expenses, project development expenses, etc.
- (d) The Company depreciates property, plant and equipment over their useful lives as prescribed by schedule II of the Act. In case the cost of a part of a property, plant and equipment is significant to the total cost of the asset, and useful life of that part is different from the remaining useful life of the asset, depreciation is provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers. The management believes that the useful lives of the components best represent the period over which the management expects to use those components.
- (e) Leasehold land is amortised over the period of lease. Cost of improvements on leasehold land is amortised over the remaining period of lease or estimated useful life, whichever is lower.
- (f) Machinery spares having useful life of more than one year and the carrying value of which exceeds "Higher of Rs.5 Lakhs or 5% of Gross Value of particular asset", are capitalised and depreciated over the lives of the spares/related asset.

MERINO INDUSTRIES LIMITED

Notes to the financial statements

2.3 Intangible Assets and Amortisation

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

Intangible Assets are amortised on a straight line basis over a period of three to five years from the date of capitalisation.

2.4 Impairment Loss

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through their continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

2.5 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to, or deducted from, the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present any change in fair value of equity investments (other than in subsidiary), which are not held for trading, in other comprehensive income. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. Investment in subsidiary is valued at cost.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVTPL).

MERINO INDUSTRIES LIMITED

Notes to the financial statements

Impairment of financial assets

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognises loss allowance for ECL on financial asset.

The Company applies, for trade receivables only, the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks that arise from its exposure to foreign exchange and interest rate fluctuations.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

MERINO INDUSTRIES LIMITED

Notes to the financial statements

2.6 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as expenses in Statement of Profit and Loss in the period in which they are incurred.

2.7 Inventories

Inventories are stated at lower of cost and estimated net realisable value. Cost is determined on moving weighted average basis in case of raw materials, stores and spares and stock-in-trade and generally on annual weighted average basis in other cases. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Foreign Currency Transactions

Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rates prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on settlement of transactions and / or restatement are dealt with in the Statement of Profit and Loss.

2.9 Biological assets

On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Harvested biological assets (i.e. agriculture produce) are transferred to inventory at fair value less costs to sell when harvested. Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Gains and losses arising on initial recognition of both biological assets and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and loss in the period in which they arise.

2.10 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods and services

Revenue from sale of goods/services is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration.

MERINO INDUSTRIES LIMITED

Notes to the financial statements

(i) Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the inception of the contract and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers, volume rebates. Volume rebates give rise to variable consideration.

(ii) Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Loyalty points programme

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. The Company's role is only to arrange for another entity to provide the goods and hence, records revenue at the net amount.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a yearly basis and any adjustments to the contract liability balance are charged against revenue.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.5 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or renders its obligations for services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

MERINO INDUSTRIES LIMITED

Notes to the financial statements

2.11 Revenue Recognition - Other Items

Interest: Interest income is generally recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable when there is a reasonable certainty to realisation.

Dividend: Dividend income is recognised when the right to receive the dividend is established.

Insurance Claim: Insurance claims are accounted for on settlement / realization basis by considering uncertainties in realization.

Other items are recognised on accrual basis.

2.12 Employee Benefits

(a) Short-term Employee Benefits :

The undiscounted amounts of short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee renders the service.

(b) Post Employment Benefit Plan:

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is actuarially determined on the basis of year-end actuarial valuation (using the Projected Unit Credit Method) and is funded. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in other comprehensive income.

(c) Other Long-term Employment Benefits (unfunded):

Other long-term employee benefits are actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

2.13 Taxation

Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

MERINO INDUSTRIES LIMITED

Notes to the financial statements

2.14 Government Grants

(i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(ii) Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(iii) Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the remaining useful life of the related asset.

2.15 Leases

The Company has adopted Ind As 116-Leases, effective from 1st April, 2019, using the modified retrospective method.

The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

Where the Company is a lessee

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. At the inception of a contract, the Company makes an assessment as to whether a contract is a lease. A contract is, or contains, a lease when it conveys the right to control the usage of an asset covered by the contract for a time period in exchange for consideration. To evaluate as to whether a contract provides the right to control the usage of an asset covered in the contract, the Company evaluates as to whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU" assets) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. Lease rentals for short-term leases and all leases of low value assets, having annual rental payments up to Rupees Six Lakhs are considered on accrual basis as an expense in profit or loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

MERINO INDUSTRIES LIMITED

Notes to the financial statements

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets/ investment property. Lease income on an operating lease is recognized in the Statement of Profit and Loss on accrual basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

2.16 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments, if any, with original maturities of three months or less.

2.17 Earnings Per Share (EPS)

Basic EPS amount is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earning considered in ascertaining the Company's EPS is the net profit/(loss) for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted EPS amounts are computed by dividing the net profit attributable to the equity share holders by the weighted average number of equity shares outstanding during the year, and the weighted average number of equity shares that would be issued to give effect to the dilutive potential.

2.18 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting made to the chief operating decision maker.

The board of directors of the Company has been identified as being the chief operating decision maker. Refer note 50 for segment information presented.

2.20 Dividends

The final dividend on shares is recorded as liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

2.21 Royalty Income

Royalty income is accounted for as per the terms of the agreement entered into with the parties involved.

MERINO INDUSTRIES LIMITED

Notes to the financial statements

2.22 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit & Loss in the period in which they are incurred.

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts

2.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale.

2.24 Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh of rupees as per the requirement of Schedule III, to the Act, unless otherwise stated.

2.25 Standards Issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2021.

There were no significant impact on the company's financial statement upon adoption of amendments issued by MCA on July, 24 2020.

However, on March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 increasing scope of disclosures, which is applicable on the Company from April 1, 2021.

2.26 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different from those originally assessed.

(i) Estimation of defined benefit obligation

Refer note 46 for details of critical estimates in computation of defined benefit obligation.

(ii) Estimated fair value of unlisted securities

Refer note 2.5 for details of critical estimates in estimation of fair value of unlisted securities.

(iii) Estimated useful life of tangible assets

Refer note 2.2 for details of critical estimates in useful life of tangible assets.

(iv) Estimation of contingent liabilities

Refer note 40 for details of critical estimates of contingent liabilities.

3 (a) Property, Plant and Equipment

PARTICULARS	Land		Buildings on Leasehold Land (Refer to (vi))	Buildings on Freehold Land	Culverts	Roads	Plant and Machinery	Electrical Fittings	Laboratory Equipment	Furniture and Fittings	Computers & Data Processing Units	Office Equipment	Vehicles	Total	Right of use Land and Buildings	Total
	Leasehold acquisition and development expenses [Refer (a) below]	Freehold														
Balance as at 1st April, 2019	2,617.05	4,442.16	3,422.72	4,466.22	64.93	608.92	20,850.97	1,163.05	109.95	633.75	463.68	388.88	889.77	40,122.05	-	40,122.05
Acquired through Bussiness combination	3.95	2,709.50	1,247.27	458.57	-	108.18	9,877.81	499.01	2.79	155.37	572.91	173.44	459.47	16,268.27	-	16,268.27
Reclassified to ROU Assets	(2,617.05)	-	-	-	-	-	-	-	-	-	-	-	-	(2,617.05)	2,617.05	-
Additions during the year	-	185.17	54.42	1,109.56	-	193.07	8,573.65	278.17	28.96	294.61	138.55	115.50	191.61	11,163.27	2,097.98	13,261.25
Disposals	-	-	6.23	0.25	-	-	148.69	9.20	-	4.87	11.79	8.33	68.77	258.13	-	258.13
Balance as at 31st March, 2020	3.95	7,336.83	4,718.18	6,034.10	64.93	910.17	39,153.74	1,931.03	141.70	1,078.86	1,163.35	669.49	1,472.08	64,678.41	4,715.03	69,393.44
Additions	-	-	24.18	162.01	90.77	125.09	3,128.18	41.82	62.69	65.46	108.18	82.51	15.32	3,906.21	62.56	3,968.77
Disposals	-	-	-	-	-	-	497.74	13.82	12.43	1.54	13.53	5.81	49.08	593.95	192.06	786.01
Balance as at 31st March, 2021	3.95	7,336.83	4,742.36	6,196.11	155.70	1,035.26	41,784.18	1,959.03	191.96	1,142.78	1,258.00	746.19	1,438.32	67,990.67	4,585.53	72,576.20
Accumulated Depreciation																
Balance as at 1st April, 2019	36.35	-	300.43	481.27	3.14	190.14	5,303.76	179.36	24.70	130.73	251.50	174.74	260.86	7,336.98		7,336.98
Acquired through Bussiness combination	1.20	-	126.26	4.44	-	22.73	2,202.32	72.31	0.54	39.89	302.95	75.84	171.57	3,020.05		3,020.05
Reclassified to ROU Assets	(36.35)													(36.35)	36.35	-
Charge for the year	0.40	-	235.41	216.93	2.17	112.30	3,718.56	181.65	14.14	89.50	245.75	111.19	188.53	5,116.53	654.25	5,770.78
Disposals	-	-	0.94	0.25	-	-	62.22	8.70	-	1.82	11.47	5.95	36.89	128.24		128.24
As at 31st March 2020	1.60	-	661.16	702.39	5.31	325.17	11,162.42	424.62	39.38	258.30	788.73	355.82	584.07	15,308.97	690.60	15,999.57
Charge for the year	0.39	-	215.25	256.33	2.18	113.57	3,539.58	194.41	15.58	111.92	204.92	121.88	188.43	4,964.44	616.60	5,581.04
Disposals	-	-	-	-	-	-	280.09	8.45	6.35	0.67	13.27	4.53	24.65	338.01	19.97	357.98
As at 31st March 2021	1.99	-	876.41	958.72	7.49	438.74	14,421.91	610.58	48.61	369.55	980.38	473.17	747.85	19,935.40	1,287.23	21,222.63
Net carrying amount																
As at 31st March, 2019	2,580.70	4,442.16	3,122.29	3,984.95	61.79	418.78	15,547.21	983.69	85.25	503.02	212.18	214.14	628.91	32,785.07	-	32,785.07
As at 31st March, 2020	2.35	7,336.83	4,057.02	5,331.71	59.62	585.00	27,991.32	1,506.41	102.32	820.56	374.62	313.67	888.01	49,369.44	4,024.43	53,393.87
As at 31st March, 2021	1.96	7,336.83	3,865.95	5,237.39	148.21	596.52	27,362.27	1,348.45	143.35	773.23	277.62	273.02	690.47	48,055.27	3,298.30	51,353.57

MERINO INDUSTRIES LIMITED
Notes to the financial statements

(Rupees in lakhs, unless otherwise stated)

3 (a) Property, Plant and Equipment (Contd.)

(i) ROU -Leasehold Land includes Rs.49.98 (31st March, 2020 : Rs.49.98) acquired on 31st October, 2006 under a lease for 90 years, Rs.696.30 (31st March, 2020 : Rs.696.30) acquired on 30th June, 2014 and Rs.1169.96 acquired on 19th April, 2017 under a lease of 99 years with a renewal option, which is being amortised over the period of lease.

(ii) Development expenditure of Rs.23.45 (31st March, 2020 : Rs.23.45) on leasehold land taken on 13th December 1994 under a lease of 30 years has been amortised over the period of Lease. Remaining life of the leasehold land is 5 years.

(iii) ROU - Leasehold land with acquisition value of Rs. 1101.95 (31st March, 2020: Rs.1101.95) have been mortgaged for availing term loans from HSBC Limited and freehold land with carrying value of Rs.588.11 (31st March, 2020 : Rs.588.11) have been mortgaged for availing working capital loan from Axis Bank Consortium.

(iv) A portion of buildings on a freehold land has been given on cancellable operating lease for a period of eleven months.

(v) Property Plant and Equipment given as security for borrowings (Refer Note No 43)

(vi) Freehold Land Rs 2709.50 acquired pursuant to business combination pending to be transferred in the name of company.

3 (b) Capital work-in-progress as on 31st March, 2021 Rs. 1645.91 (includes capital goods-in-transit of Rs.50.60) [(Rs. 31st March 2020 Rs. 1986.26 (includes capital goods-in-transit of Rs.355.95). (Refer Note. 43)

3 (c) Other intangible assets

PARTICULARS	Computer Software (Acquired item)	Total
Balance as at 1st April, 2019	320.96	320.96
Acquired through Bussiness combination	243.07	243.07
Additions during the year	36.63	36.63
Disposals	12.33	12.33
Balance as at 31st March, 2020	588.33	588.33
Additions	8.18	8.18
Disposals	3.14	3.14
Balance as at 31st March, 2021	593.37	593.37
Accumulated Depreciation		
Balance as at 1st April, 2019	215.47	215.47
Acquired through Bussiness combination	114.22	114.22
Charge for the year	107.70	107.70
Disposals	12.33	12.33
As at 31st March 2020	425.06	425.06
Charge for the year	87.57	87.57
Disposals	3.14	3.14
As at 31st March 2021	509.49	509.49
Net Carrying amount		
As at 31st March, 2019	105.49	105.49
As at 31st March, 2020	163.27	163.27
As at 31st March, 2021	83.88	83.88

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 4 Investments -non current

Particulars	As at 31st March 2021	As at 31st March 2020
Investments in Equity Instruments measured at FVOCI		
-Unquoted		
Merinoply and Chemicals Limited (refer (a) below)		
31 March 2021 : 164006 [82003*] (31 March 2020: 164006) equity shares of Rs 10 each fully paid up	17.50	17.50
Less: Provision for diminution in book value of investments	(17.50)	(17.50)
-Quoted		
Bank of Baroda		
31 March 2021 : 10,000 [5000*] (31 March 2020 : 10,000 [5000*]) equity shares of Rs.2 each fully paid up	7.41	5.36
Greenply Industries Limited*		
31 March 2021 : 1,000 (31 March 2020 : 1,000) equity shares of Rs.1 each fully paid up	1.71	0.81
Greenlam Industries Limited*		
31st March, 2021 : 200 (31st March, 2020 : 200) equity shares of Rs 5/- each fully paid up	1.87	0.99
Star Paper Mills Limited*		
31 March 2021 : 100 (31 March 2020 : 100) equity shares of Rs.10 each fully paid up	0.12	0.07
Kitply Industries Limited*		
31 March 2021 : 100 (31 March 2020 : 100) equity shares of Rs.10 each fully paid up	-	-
KUNAL Engineering Co. Ltd*		
31 March 2021 : 250 (31 March 2020: 250) equity shares of Rs 10 each fully paid up	0.18	0.18
Less: Provision for diminution in book value of investments...	(0.18)	(0.18)
Sanghi Polyesters Ltd*		
31 March 2021 : 500 (31 March 2020: 500) equity shares of Rs 10 each fully paid up	0.20	0.20
Less: Provision for diminution in book value of investments.	(0.20)	(0.20)
KHSL Industries Ltd*		
31 March 2021 : 1,000 (31 March 2020: 1,000) equity shares of Rs 10 each fully paid up	0.20	0.20
Less: Provision for diminution in book value of investments..	(0.20)	(0.20)
Investment in mutual funds measured at FVTPL*		
-Quoted		
Aditya Birla Sunlife Short Term Opportunities Fund		
31 March 2021: 188388.487 (31 March 2020: 188388.487) units	68.88	62.50
Idfc Corporate Bond Fund		
31 March 2021: 921234.454 (31 March 2020: 921234.454) units	138.40	126.96
Icici Prudential Bond Fund-Growth		
31 March 2021: 444818.092 (31 March 2020: 444818.092) units	137.24	127.24
Icici Prudential Medium Term Bond Fund		
31 March 2021: Nil (31 March 2020: 406502.413) units	-	127.31
Idfc Bond Fund-Medium Term Plan-Growth		
31 March 2021: 372510.235 (31 March 2020: 372510.235) units	136.15	127.19
Aditya Birla Sunlife Mutual fund-Fixed term plan - series PN-Regular Growth		
31 March 2021: 2500000.00 (31 March 2020: 2528427.468) units	301.97	373.14
Hsbc FTS Growth Tenure		
31 March 2021: 2500000 (31 March 2020: 2500000) units	306.41	285.01
Icici Prudential Fixed Maturity Plan Series 82		
31 March 2021: 2500000 (31 March 2020: 2500000) units	311.71	288.24
Idfc Banking and Psu Debt Fund-REG(G)		
31 March 2021: 3171396.781 (31 March 2020: 3171396.781) units	610.01	562.70
Axis Banking and Psu Debt Fund		
31 March 2021: 24228.967 (31 March 2020: 24228.967) units	498.97	463.10
Axis Focused 25 Fund Growth (AFGPG)		
31 March 2021: 185597.624 (31 March 2020: 185597.624) units	69.56	43.41
Kotak India Growth Fund Series 5-Growth (Regular Plan)		
31 March 2021: 1002523 (31 March 2020: 1002523) units	145.87	71.12
Axis Ftp Series 97- 1116 Days-Growth(Wigpg)		
31 March 2021: 1000000 (31 March 2020: 1000000) units	117.62	107.92
Hdfc Fmp 1372 Days, September 2018 (1)-Regular-Growth		
31 March 2021: 1500000 (31 March 2020: 1500000) units	190.33	175.41
Icici Pru Liquid Fund-Growth		
31 March 2021: Nil (31 March 2020: 9490.097) units	-	27.76
Icici Pru – Equity Savings Fund		
31 March 2021: 187837.764 (31 March 2020: 124585.344) units	29.90	15.83
Icici Pru – Multicap Fund		
31 March 2021: Nil (31 March 2020: 6143.277) units	-	12.66

Note: 4 Investments -non current (contd.)

Particulars	As at 31st March 2021	As at 31st March 2020
Icici Pru – Balanced Advantage Fund 31 March 2021: 611837.505 (31 March 2020: 48668.738) units	270.68	14.88
L & T Triple Ace Bond Fund 31 March 2021: 425920.681 (31 March 2020: 425920.681) units	241.93	224.95
Icici Prudential Compact Fund 31 March 2021: 314325.22 (31 March 2020: 150015.505) units	382.07	127.80
Idfc Arbitrage Fund-Monthly Dividend 31 March 2021: Nil (31 March 2020: 3131483.148) units	-	403.78
Mirae Asset Cash Management fund 31 March 2021: Nil (31 March 2020: 5948.341) units	-	123.13
Mirae Asset Large Cap Fund- Regular Growth Plan 31 March 2021: 557486.66 (31 March 2020: 371471.137) units	365.18	141.63
Mirae Asset Focused Fund-Regular Plan Growth 31 March 2021: 972877.658 (31 March 2020: 535518.417) units	153.20	45.13
Edelweiss Liquid Fund 31 March 2021: Nil (31 March 2020: 4083.55) units	-	103.52
Edelweiss Flexi Cap Fund-Regular Plan-Growth 31 March 2021: 1517036.545 (31 March 2020: 686952.747) units	285.29	76.19
Icici Prudential Ultra Short Term Fund 31 March 2021: Nil (31 March 2020: 2780765.382) units	-	566.33
Aditya Birla Sun Life Flexi Cap Fund -Growth-Rp 31 March 2021: 7047.837 (31 March 2020: 1532.356) units	66.01	8.25
Kotak Emerging Equity Fund-Growth(Regular Plan) 31 March 2021: 201983.889 (31 March 2020: 27465.736) units	115.90	8.11
Sc Credit Trust-Sc Credit Fund 31 March 2021: 20.4023 (31 March 2020: 24.868) units	211.96	279.75
Kotak Liquid Regular Plan Grow 31 March 2021: Nil (31 March 2020: 3896.435) units	-	155.88
Kotak Flexicap Fund-Grwoth (Regular Plan) 31 March 2021: 555308.286 (31 March 2020: 314140.62) units	249.67	84.85
Axis Liquid Fund-Growth 31 March 2021: Nil (31 March 2020: 3001.985) units	-	65.87
Axis Focused 25 Fund - Regular Growth 31 March 2021: 360514.769 (31 March 2020: 120047.484) units	135.12	28.08
Alteria Capital India Fund - I 31 March 2021: 111200.00 (31 March 2020: Nil) units	106.41	-
Axis Short Term Fund - Regular Growth 31 March 2021: 2977076.884 (31 March 2020: Nil) units	711.32	-
Axis Ultra Short Term Fund - Regular Growth 31 March 2021: 4278556.524 (31 March 2020: Nil) units	500.34	-
Icici Prudential Short Term Fund - Growth 31 March 2021: 2672371.58 (31 March 2020: Nil) units	1,225.64	-
Icici Prudential Banking And PSU Debt Fund - Growth 31 March 2021: 824897.085 (31 March 2020: Nil) units	206.07	-
Iifl India Private Equity Fund Series 1A - Class A 31 March 2021: 1000570.356 (31 March 2020: Nil) units	131.19	-
Kotak Dynamic Bond Fund - Regular Plan - Growth 31 March 2021: 705407.218 (31 March 2020: Nil) units	204.52	-
Kotak Banking and PSU Debt Funds - Growth 31 March 2021: 244740.161 (31 March 2020: Nil) units	123.14	-
Kotak Optimus Moderate Scheme Class A 31 March 2021: 94.544 (31 March 2020: Nil) units	111.11	-
Kotak Optimus Aggressive Scheme Class A 31 March 2021: 174.2219 (31 March 2020: Nil) units	211.07	-
SBI Banking & PSU Fund Regular Growth 31 March 2021: 9939.401 (31 March 2020: Nil) units	243.61	-
Aditya Birla Sunlife Flexi Cap Fund-Growth-Direct Plan 31 March 2021: 8162.939 (31 March 2020: Nil) units	82.44	-
Uti Liquid Cash Plan-Regular Plan-Growth 31 March 2021: 12.056 (31 March 2020: Nil) units	0.40	-
UTI Flexi Cap Fund - Regular Plan Growth 31 March 2021: 55589.156 (31 March 2020: Nil) units	118.09	-

Note: 4 Investments -non current (Contd.)

Particulars	As at 31st March 2021	As at 31st March 2020
Investment in Alternative Investment fund measured at FVTPL*		
-Unquoted		
Aventus Absolute Return Fund-Class A6	589.07	548.76
31 March 2021: 50055.4291 (31 March 2020: 50055.4291) units		
Tata Capital Healthcare Fund II	75.49	19.60
31 March 2021:50000.00 (31 March 2020:195965.8) units		
India Real Estate Investment Fund	82.88	78.06
Blume Ventures Fund 1X	65.00	-
31 March 2021: Pending allotment of units		
Aventus Enhanced Return Fund-Class A1-9Th Closure	-	38.72
31 March 2021: Nil (31 March 2020: 4316.71) units		
Aventus Enhanced Return Fund-Class A1-13Th Closure	-	121.11
31 March 2021: Nil (31 March 2020: 13529.294) units		
Investment in Portfolio Management Service measured at FVTPL*		
-Unquoted		
Marcellus Investment Managers (P) Limited	125.81	-
White Oak Capital Management Consultants LLP	203.05	-
Investment in Liquid Mutual fund measured at Amortised cost*		
-Unquoted		
Mindspace Business Parks Real Estate Investment Trust	6.60	-
Investment in Promissory Note*		
-Unquoted		
Artison Agrotech Private Limited	10.00	10.00
Less: Provision for diminution in book value of investments	(10.00)	(10.00)
Investment in Non Convertible debenture measured at Amortised cost (Secured)*		
-Unquoted		
10.25% Aspire Home Finance Corporation Limited	-	100.75
31 March 2021: Nil (31 March 2020: 10) units of face value 10,00,000 each		
8.87% Kotak Mahindra Prime Limited	-	206.02
31 March 2021: Nil (31 March 2020: 20.00) units		
Investments in fixed deposit measured at amortised cost*		
Fixed deposit (refer (b) below) **	21,505.54	4,308.00
Interest accrued on fixed deposits (refer (b) below)	387.72	216.35
	32,567.65	11,100.23
Aggregate amount of quoted investments	9,526.49	5,462.86
Aggregate amount of unquoted investments	23,069.25	5,665.46
Aggregate amount of impairment in value of investments	28.09	28.09

* Investments acquired through Business Combination, pending transfer in the name of the Company

** Includes Fixed Deposit of Rs.8961.44 (31st Mar 2020: Rs.4308) pending transfer in the name of the Company

Note-

(a) Merinopoly and Chemicals Limited went into liquidation. Investment is carried at NIL value. Cost of investment was Rs. 17.50 (31st March 20 Rs. 17.50) .

(b) Fixed Deposit amounting Rs. 210 (31st March 20 Rs 210) along with interest accrued thereon is placed against long term borrowing. (Refer Note 43)

Note: 5 Loans - non current

Particulars	As at 31st March 2021	As at 31st March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
-Security deposits	324.60	328.82
-Loans to employees	57.76	42.24
	382.36	371.06

Note: 6 Other financial assets-non current

Particulars	As at 31st March 2021	As at 31st March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Fixed deposit having maturity more than one year pledged with custom and excise authority	2.33	2.26
	2.33	2.26

Note: 7 Other non-current assets

Particulars	As at 31st March 2021	As at 31st March 2020
(Unsecured, considered good unless otherwise stated)		
Capital advances	337.57	283.27
Prepaid Expense	45.47	20.52
Security Deposit	10.62	4.18
	393.66	307.97

Note: 8 Inventories

Particulars	As at 31st March 2021	As at 31st March 2020
(At lower of cost and net realisable value)		
Raw materials [includes materials-in-transit 31st March 2021: Rs 3918.96 (31st March 2020: Rs.4903.99)]	18,906.32	27,357.93
Work-in-progress [includes materials-in-transit 31st March 2021: Rs. Nil (31st March 2020: Rs. 60.72)]	1,066.20	1,197.57
Stock in Trade [includes materials-in-transit 31st March 2021: Rs. 102.10 (31st March 2020: Rs.108.71)]	1,377.37	1,885.19
Finished goods [includes materials-in-transit 31st March 2021: Rs. 2703.70 (31st March 2020:Rs.982.86)]	10,649.23	10,978.85
Stores and spares [includes materials-in-transit 31st March 2021:Rs. 195 (31st March 2020: Rs.44.56)]	2,540.26	2,512.59
	34,539.38	43,932.13

(a) Inventories are hypothecated to secure the short term and long term borrowings (Refer Note No 43)

(b) Write down of inventories to net realisable value relating to stores and spares amounted to Rs.234.65 (31st March, 2020 Rs.289.45).

Note: 9 Biological assets other than bearer plants

Particulars	As at 31st March 2021	As at 31st March 2020
<i>Potato seed</i>		
Opening value of biological assets	652.33	669.40
Cost incurred during the year	721.31	652.33
Harvested potatoes transferred to inventories and sold during the year	(652.33)	(669.40)
Closing value of biological assets - Potato Seed	721.30	652.33
<i>Crops</i>		
Opening value of biological assets	5.88	10.46
Cost incurred during the year	22.05	19.19
Purchases	1.16	3.03
Harvested crops transferred to inventories and sold during the year	(25.09)	(19.72)
Harvested crops transferred to inventories	(2.90)	(7.08)
Closing value of biological assets - Crops	1.10	5.88
Biological Assets Total	722.40	658.21

(a) The Company has two category of biological assets i.e. potato seeds and annual crops.

The potato seeds up to the stage of G3 are considered as biological assets by the Company. These biological assets take few months for further biological transformation post which it is stored in cold storage till the next generation cycle. As on balance sheet date, there is insignificant biological transformation. Hence those biological assets of the Company are valued at cost.

The company determines the fair values of its products when they significantly achieve the attributes of intended biological transformation. When the biological assets attain the stage - ready for consumption (agriculture produce) it is considered as inventory at fair value on that date. Agricultural produce is the harvested product of the entity's biological assets.

The quantity of potato seed stock (biological assets) as at 31 March 2021 was 38.99 M.Tons (31 March 2020 : 31.63 M.Tons).

The annual crops were insignificant to the Company's operations.

(b) Inventories are hypothecated to secure short-term and long-term borrowings (Refer Note No 43)

Note: 10 Investments

Particulars	As at 31st March 2021	As at 31st March 2020
-Unquoted		
Investment in Non Convertible debenture measured at Amortised cost (Secured)*		
8.87% Kotak Mahindra Prime Limited	-	103.01
31 March 2021: Nil (31 March 2020: 10) units of face value 10,00,000 each		
Investments in fixed deposit measured at amortised cost*		
Fixed deposit	5,157.80	1,585.60
Interest accrued on fixed deposits	494.61	47.87
	5,652.41	1,736.48
Aggregate amount of unquoted investments	5,652.41	1,736.48

* Investment acquired through Business Combination, pending transfer in the name of the company

Note: 11 Trade receivables

Particulars	As at 31st March 2021	As at 31st March 2020
<i>Unsecured</i>		
Considered good	14,799.38	17,370.13
Credit impaired	265.25	277.67
	15,064.63	17,647.80
Less: Impairment allowance	265.25	277.67
	14,799.38	17,370.13
<i>Secured</i>		
Considered good	361.81	375.82
	15,161.19	17,745.95

(a) Trade receivables are hypothecated to secure the short term and long term borrowings (Refer Note 43)

(b) Includes receivable from related parties - 31 March 2021: Rs. 6.70 (31 March 2020 : Rs.15.68) (Refer Note 51)

(c) Movement in Impairment Allowance is as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Opening	277.67	89.36
Add- Acquired through Business Combination	-	72.38
Addition during the year	111.82	147.14
Deletion during the year	(124.24)	(31.21)
Closing	265.25	277.67

These are carried at amortised cost

Note: 12 Cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalents:		
Cash on hand	8.28	9.84
Foreign Currency on hand	1.37	9.15
Fixed Deposit having maturity less than 3 months	1,663.73	1,600.00
Balances with banks:		
On current accounts	248.99	1,307.72
On cash credit accounts	427.90	251.83
	2,350.27	3,178.54

Note: 13 Other bank balances

Particulars	As at 31st March 2021	As at 31st March 2020
Margin Money Deposit [Refer (a) below]	19.10	19.11
Deposits with original maturity of more than three months but less than 12 months	-	1,739.50
On dividend accounts [Refer (b) below]	21.22	384.17
	40.32	2,142.78

(a) Margin money given towards bank guarantee (Refer note no 43)

(b) Earmarked for payment of unpaid / unclaimed dividends.

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 14 Loans

Particulars	As at 31st March 2021	As at 31st March 2020
(Unsecured, considered good unless otherwise stated)		
-Security Deposits	238.70	270.69
-Loans to Employees	75.05	86.25
-Loan to related parties	-	3,198.03
	313.75	3,554.97

Note: 15 Other financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Dividend receivable	3.10	-
Insurance claim receivable	218.93	-
Interest accrued on deposits and others	17.00	204.55
Derivative assets	83.09	268.83
Others receivables [Refer (a) below]	195.48	390.34
Receivable from statutory/government authorities	3.86	3.82
	521.46	867.54

(a) Includes 31 March 2021: Rs. 23.77 (31 March 2020: Rs. 11.35) receivable from Merino Consulting Services Limited on account of Business Combination.

Note: 16 Current tax asset (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Income tax (Net of provision Rs. Nil ; 31 March 2020 : Rs.4263.40) [includes deposit under protest Rs.888.17 (31st March, 2020: Rs.438.17)]	2,557.59	2,357.54
	2,557.59	2,357.54

Note: 17 Other current assets

Particulars	As at 31st March 2021	As at 31st March 2020
Export incentives receivable	568.84	622.02
Assets held for sale (Refer Note (a))	60.80	-
Advances to suppliers	499.34	966.20
Advances to suppliers - credit impaired	3.23	-
Less : Impairment Allowance	(3.23)	-
Prepaid expenses	519.34	422.08
Stamps on hand	0.41	0.95
Balance with statutory/government authorities	778.60	1,199.06
Advances with statutory authorities against disputed dues	335.15	147.87
Advances recoverable in cash or kind	66.55	37.00
Advance with LIC for defined benefit plan (Net)	16.80	-
	2,845.83	3,395.18

(a) As at 31st March 2021, the Management has proposed to dispose of certain plant and machineries, accordingly the same has been classified as Non Current Assets Held for Sales and carried at estimated net realisable value aggregating Rs. 60.80.

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 18 Equity share capital

Particulars	As at 31st March 2021	As at 31st March 2020
AUTHORISED		
Opening		
1,97,50,000 (31 March 2020; 1,70,00,000) Equity Shares of Rs. 10/- each	1975.00	1700.00
Add: Acquired through Business Combination - NIL (31 March 2020; 27,50,000) Equity Shares of Rs. 10/- each	-	275.00
As at 31st March 2021	1975.00	1975.00
1,97,50,000 (31 March 2020; 1,97,50,000) Equity Shares of Rs. 10/- each		
ISSUED		
Opening		
71,79,000 (31 March 2020 : 1,05,66,100) Equity Shares of Rs 10/- each	717.90	1056.61
Less: Cancelled through Business Combination 1000 (31st March 2020 : 33,87,100) Equity Shares of Rs. 10/- each	0.10	338.71
Add: Equity Shares of Rs 10/- each issued in pursuant of Business Combination 41,97,179 (31st March 2020 : Nil) Equity Shares of Rs.10/- each	419.72	-
As at 31st March 2021	1,137.52	717.90
1,13,75,179 (31 March 2020 : 71,79,000) Equity Shares of Rs 10/- each		
SUBSCRIBED AND PAID-UP		
Opening		
69,82,500 (31 March 2020 : 1,03,69,600) Equity Shares of Rs 10/- each fully paid up	698.25	1036.96
Less: Cancelled through Business Combination 1000 (31st March 2020 : 33,87,100) Equity Shares of Rs. 10/- each	0.10	338.71
Add: Issued in pursuant to Business Combination 41,97,179 (31st March 2020 : Nil) Equity Shares of Rs.10/- each	419.72	-
As at 31st March' 2021	1117.87	698.25
Add : Forfeited Equity Shares : Amount paid-up on 1,96,500 (31 March 2020 : 1,96,500) Equity Shares	10.07	10.07
	1,127.94	708.32

(a) Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance outstanding at the beginning of the year	69,82,500	1,03,69,600
Less: Cancellation through Business Combination	1,000	33,87,100
Add: Shares issued under Business Combination	41,97,179	-
Balance outstanding at the end of the year	1,11,78,679	69,82,500

(b) Rights, preference and restrictions attached to shares issued:

The company has only one class of equity shares having a par value of Rs 10/- each. Each equity shareholder is entitled to one vote per share held.

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 shareholdings.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of the shareholders	As at 31st March 2021		As at 31st March 2020	
	No. of shares	%held	No. of shares	%held
Mr. Champalal Lohia	12,76,091	11.42	3,68,400	5.28
Mr. Rup Chand Lohia	8,85,390	7.92	-*	-*
Mr. Prakash Lohia	11,88,002	10.63	5,66,020	8.11
Ms. Ruchira Lohia	7,32,026	6.55	5,08,456	7.28
Mr. Madhusudan Lohia	9,95,299	8.90	7,21,635	10.33
Mr. Deepak Lohia	-*	-*	5,35,189	7.66
	50,76,808	45.42	26,99,700	38.66

* Less than 5%

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 19 Other equity

Particulars	As at 31st March 2021	As at 31st March 2020
Reserves and surplus:		
Shares allotment pending under Business Combination		
Balance at the beginning of the year	419.72	-
41,97,179 (31st March 20 : Nil) Equity Shares of Rs 10/- each fully paid up		
Add: Shares allotment pending pursuant to the Business Combination	-	419.72
Nil (31st March 20 : 41,97,179) Equity Shares of Rs 10/- each fully paid up		
Less: Shares issued pursuant to the Business Combination	419.72	-
41,97,179 (31st March 20: Nil) Equity Shares of Rs 10/- each fully paid up		
Balance at the end of the year	-	419.72
Securities premium reserve		
Balance as at the beginning of the year	359.62	87.48
Add: Acquired through Business Combination	-	300.00
Less: Adjustment through Business Combination	19.90	27.86
Balance as at the end of the year	339.72	359.62
Capital reserve		
Balance as at the beginning of the year	(1,675.56)	-
Add: Transfer from amalgamating companies pursuant to Business Combination	-	262.46
Add: Addition pursuant to Business Combination	-	(1,938.02)
Balance as at the end of the year	(1,675.56)	(1,675.56)
Capital Redemption reserve		
Balance as at the beginning of the year	3.16	-
Add: Transfer from amalgamating companies pursuant to Business Combination	-	3.16
Balance as at the end of the year	3.16	3.16
Statutory reserve		
Balance as at the beginning of the year	233.59	-
Add: Acquired through Business Combination	-	233.59
Balance as at the end of the year	233.59	233.59
Revaluation reserve		
Balance as at the beginning of the year	-	-
Add: Acquired through Business Combination	-	365.65
Add: Transfer to retained earnings	-	(365.65)
Balance as at the end of the year	-	-
General reserve		
Balance as at the beginning of the year	11,277.66	6,791.92
Add: Acquired through Business Combination	-	3,176.20
Add: Transferred from surplus in statement of profit and loss	1,318.59	1,309.54
Balance as at the end of the year	12,596.25	11,277.66

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 19 Other equity (Contd.)

Particulars	As at 31st March 2021	As at 31st March 2020
Retained earnings		
Balance as at the beginning of the year	78,914.51	37,201.00
Add: Acquired through Business Combination	-	30,417.45
Add: Profit for the year	13,185.83	12,943.47
Add: Transfer from revaluation reserve	-	365.65
Amount available for appropriation	92,100.34	80,927.57
Less : Appropriations:		
Interim dividend on Equity Shares for the year	-	492.34
Dividend distribution tax on interim dividend on Equity Shares	-	171.09
Transfer to General reserve	1,318.59	1,309.54
	1,318.59	1,972.97
Other comprehensive income		
Remeasurements of post-employment benefit obligations (net of tax)	199.58	(40.09)
Balance as at the end of the year	90,981.33	78,914.51
Total (I)	1,02,478.49	89,532.68
Other reserves :		
Equity Instruments through Other Comprehensive Income		
Opening balance	4.55	3,506.80
Less- Elimination pursuant to Business Combination	-	(3,501.23)
Add: Changes in fair value of FVOCI equity instruments	3.89	(0.11)
Deferred tax	(2.35)	(0.92)
Total (II)	6.09	4.55
Total Other Equity (I + II)	1,02,484.58	89,537.23

Nature and purpose of other reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Act.

Statutory reserve

This Reserve has been transferred to the Company in the course of business combinations and it represents profits transferred before declaration of dividend by the Company as per the requirement of the Reserve Bank of India (RBI) for NBFC. The same can be utilised in accordance with the RBI Act, 1934.

Capital reserve

This reserve represents the difference between value of net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

Capital Redemption reserve

This Reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc. This represents free reserve.

FVOCI equity investments

The Company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments through other reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 20 Borrowings - non current

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Term Loan		
From Banks		
Indian Rupee Loans [Refer (a) and (d) below]	1,375.00	2,876.14
Foreign Currency Loan [Refer (b) below]	5,049.85	6,592.31
	6,424.85	9,468.45
Less:- Current maturities of long term debt (Payable with in a year)		
Indian Rupee Loans [Refer (a) below]	1,000.00	1,501.14
Foreign Currency Loan [Refer (b) below]	1,553.80	1,366.70
	2,553.80	2,867.84
	3,871.05	6,600.61

(a) Repayment terms and nature of securities given for Indian Rupee Loan from Bank:

Bank	As at 31st March 2021	As at 31st March 2020	Nature of Securities	Repayment Terms
The Hong Kong and Shanghai Banking Corporation Limited	875.00	1,375.00	Exclusive Charge on the Solar Plant situated at Budak Village Distt. Hissar Haryana and additionally secured by fixed deposit placed with HSBC from time to time including any interest accrued thereon and any renewals thereof from time to time upto an aggregate of INR 210 Lakhs.	Repayable in twelve equal quarterly instalments with moratorium period of two year starting from 21st Feb 2020. Interest is payable monthly @ 7.259 % p.a. The balance amount of the loan of Rs.875 is repayable in seven equal quarterly instalments of Rs.125 each. Last instalment is due on 21st November, 2022.
The Hong Kong and Shanghai Banking Corporation Limited	500.00	1,500.00	Exclusive charge on movable and immoveable Property, plant and equipment of the Dahej Project. Second pari passu charge on entire current assets of the Company both present and future.	Repayable in sixteen equal quarterly instalments with moratorium period of one year starting from 23rd Sept. 2016. Interest is payable monthly @ 7.99 % p.a. The balance amount of the loan of Rs.500 is repayable in two equal quarterly instalments of Rs.250 each. Last instalment is due on 22nd September, 2021.
	1,375.00	2,875.00		

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 20 Borrowings - non current (Contd.)

(b) Repayment terms and nature of securities given for Foreign Currency Term Loan from bank:

Bank	As at 31st March 2021	As at 31st March 2020	Nature of Securities	Repayment Terms
Standard Chartered Bank Limited	-	160.79	First pari passu charge on the entire Property, plant and equipment of the Company, both present and future (excluding assets which are exclusively charged to other lenders) and second pari passu charge on the entire current assets of the Company, both present and future.	Repayable in sixteen equal quarterly instalments starting from the end of fifteen months from the date of disbursement. Interest is payable in every three months at 9.90% p.a on fully hedged basis. Last instalment of the loan was paid on 21st August, 2020.
Citibank N . A	5049.85	6,431.52	Exclusive charge on specific fixed assets of Project 2 at Dahej, Gujarat. Pari passu charge on land and buildings and other movable fixed assets at Dahej. Second pari passu charge on the entire current assets of the Company.	Repayable in sixteen equal quarterly instalments starting from 23rd July, 2020. Interest is payable in every three months at 8.04% p.a on fully hedged basis. The balance amount of the loan of Rs.5049.85 is repayable in thirteen equal quarterly instalments of Rs.388.45 each on fully hedged basis. Last instalment will be due on 23 rd April, 2024.
	5,049.85	6,592.31		

(c) Outstanding balances of loan as indicated in (a) & (b) above is inclusive of current maturities of such loan as disclosed in Note 26

(d) Vehicle loan of Rs.Nil (31st March, 2020 Rs.1.14) is secured by way of hypothecation of the related vehicle. The loan is repayable in sixty equal monthly instalments and last instalment was paid on 5th July, 2020, bearing interest rate @ 10.00% p.a.

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 21 Other financial liabilities - non current

Particulars	As at 31st March 2021	As at 31st March 2020
Employee benefit payables	4.49	15.83
	4.49	15.83

Note: 22 Deferred tax liabilities (net)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Liabilities		
Difference between written down value of block of assets as per income tax laws and book written down value of the property, plant and equipment	2,841.11	2,751.71
Investments in Equity Shares	2.35	-
Investments in Mutual funds	363.53	53.54
	3,206.99	2,805.25
Deferred Tax Assets		
Disallowance of expenses allowable for tax purpose on payment basis	251.57	294.38
Derivative assets	-	72.20
Others	139.55	69.59
	391.12	436.17
	2,815.87	2,369.08

Movements in deferred tax liabilities

Particulars	Property, plant and equipment	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Disallowance	Others	Total
As at 31st March, 2019	2,382.12	23.79	1,059.46	(145.01)	(33.71)	3,286.65
Charged / (Credited):						
Acquired on Business Combination	1,363.80	88.09	(20.48)	(72.57)	(4.16)	1,354.68
to profit and loss	(994.21)	(58.34)	-	(76.80)	(90.44)	(1,219.79)
to other comprehensive income	-	-	12.56	-	-	12.56
Elimination	-	-	(1,065.02)	-	-	(1,065.02)
As at 31st March, 2020	2,751.71	53.54	(13.48)	(294.38)	(128.31)	2,369.08
Charged / (Credited):						
to profit and loss	89.40	382.19	-	42.81	(137.09)	377.31
to other comprehensive income	-	-	69.48	-	-	69.48
As at 31st March, 2021	2,841.11	435.73	56.00	(251.57)	(265.40)	2,815.87

Note: 23 Other non-current liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred government grants	84.30	90.40
	84.30	90.40

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 24 Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Working Capital Loans (Refer (a) below)		
From Banks:		
Overdraft / Cash credit	397.09	1,060.18
Rupee packing credit loan	6,150.00	3,530.00
Working Capital Demand Loan	2,074.46	1,924.99
Others (Refer (b) below)		
Bills discounted with bank	637.50	429.79
	9,259.05	6,944.96
Unsecured		
Working Capital Loans		
From Banks:		
Working Capital Demand Loan	-	3,000.00
Rupee Packing Credit Loan	-	1,500.00
Others:		
From related parties (refer note 54)	587.12	3,387.82
Others	-	0.56
	587.12	7,888.38
	9,846.17	14,833.34

(a) Working Capital Loans are secured by way of:

i) Primary Security : Hypothecation of the trade receivables and inventories of the Company on pari-passu basis, both present and future.

ii) Collateral Security: Second Charge on the entire property, plant and equipment of the Company including capital work in progress except those assets charged exclusively to other banks, both present and future, on Pari Passu basis, with other consortium banks.

(b) Bills discounting facilities are secured by first loss default guarantee issued by the Company in favour of respective bank upto a ceiling of 7.5% (5% as on 31st March 2020) of the sanctioned limits.

Note: 25 Trade payables

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises	1,252.60	157.55
-Total outstanding dues of creditors other than micro enterprises and small enterprises	17,265.20	18,957.13
	18,517.80	19,114.68

Note: 26 Other financial liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturities of long-term debt (Refer Note 20)	2,553.80	2,867.84
Interest accrued but not due on borrowings	81.15	99.25
Liabilities for purchase of capital assets	338.36	1,027.71
Derivative Liability	0.15	400.13
Employee benefits payable	1,484.03	1,407.21
Deposits from Customers & Suppliers	750.46	815.54
Contract liability against loyalty points & others	891.18	689.82
Refund liability against periodical schemes	432.12	387.54
Unpaid Dividend *	21.22	265.62
Other payables**	997.09	1,103.60
	7,549.56	9,064.26

*There is no amount due and outstanding as at year end to be credited to Investor Education and Protection Fund under Sub-section 5 of Section 124 of the Act.

** Includes Rs. 64.61 (31 March 2020: Rs. 55.67) payable to Merino Properties Private Limited pursuant to Business Combination.

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note: 27 Other current liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Liabilities under litigation	158.57	134.41
Advances from customers/Contract Liabilities	1,660.72	1,450.15
Statutory dues	629.22	509.82
	2,448.51	2,094.38

Note: 28 Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Leave obligations	664.31	696.99
Defined benefit obligations (gratuity)	-	195.01
Contingent provision against Standard Assets	8.00	8.00
	672.31	900.00

Note: 29 Current tax liabilities (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for income tax (Net of advance tax and TDS)	856.94	13.75
	856.94	13.75

Note: 30 Revenue from operations

Particulars	2020-21	2019-20
(i) Sale of products		
Domestic	89,848.09	1,05,767.19
Export	38,010.27	39,278.81
	1,27,858.36	1,45,046.00
(ii) Sale of services		
Income from job work(Including Inter Unit services)	330.77	299.44
(iii) Other operating revenues		
Export incentives	687.49	1,218.40
Scrap sales	703.29	780.93
Others	108.39	27.45
Revenue from operations	1,29,688.30	1,47,372.22

Note 30.1: Disclosure as per Ind As 115

1: Revenue from contracts with customers:

1.1: Disaggregated revenue information:

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segment:	2020-21				
Type of goods or service	Laminates	Panel Product & Furniture	Potato Flakes	Others	Total
Sale of goods	93,281.87	21,420.81	6,737.12	6,418.56	1,27,858.36
Sale of services (including inter-unit services)	293.27	37.50	-	-	330.77
Others	623.45	115.31	39.60	33.32	811.68
Total revenue from contracts with customers	94,198.59	21,573.62	6,776.72	6,451.88	1,29,000.81
India	62,836.43	17,380.61	4,373.68	6,399.82	90,990.54
Outside India	31,362.16	4,193.01	2,403.04	52.06	38,010.27
Total revenue from contracts with customers	94,198.59	21,573.62	6,776.72	6,451.88	1,29,000.81
Timing of revenue recognition					
Goods transferred at a point in time	93,905.32	21,536.12	6,776.72	6,451.88	1,28,670.04
Services transferred over time	293.27	37.50	-	-	330.77
Total revenue from contracts with customers	94,198.59	21,573.62	6,776.72	6,451.88	1,29,000.81

Segment:	2019-20				
Type of goods or service	Laminates	Panel	Potato Flakes	Others	Total
Sale of goods	1,04,746.97	25,458.35	5,828.23	9,012.45	1,45,046.00
Sale of services (including inter-unit services)	260.92	38.52	-	-	299.44
Others	465.60	134.56	39.15	169.07	808.38
Total revenue from contracts with customers	1,05,473.49	25,631.43	5,867.38	9,181.52	1,46,153.82
India	71,150.86	22,880.62	3,745.67	9,097.86	1,06,875.01
Outside India	34,322.63	2,750.81	2,121.71	83.66	39,278.81
Total revenue from contracts with customers	1,05,473.49	25,631.43	5,867.38	9,181.52	1,46,153.82
Timing of revenue recognition					
Goods transferred at a point in time	1,05,212.57	25,592.91	5,867.38	9,181.52	1,45,854.38
Services transferred over time	260.92	38.52	-	-	299.44
Total revenue from contracts with customers	1,05,473.49	25,631.43	5,867.38	9,181.52	1,46,153.82

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Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 50):

Segment revenue:	2020-21				
	Laminates	Panel products and furniture	Potato Flakes	Others	Total
External customers	95,094.30	21,813.07	6,879.35	10,099.10	1,33,885.82
Inter-segment	6,114.67	-	-	-	6,114.67
	1,01,208.97	21,813.07	6,879.35	10,099.10	1,40,000.49
Inter-segment adjustment and elimination	(7,010.38)	(239.45)	(102.63)	(3,647.22)	(10,999.68)
Total revenue from contracts with customers	94,198.59	21,573.62	6,776.72	6,451.88	1,29,000.81

Segment revenue:	2019-20				
	Laminates	Panel products and furniture	Potato Flakes	Others	Total
External customers	1,10,573.34	26,012.68	6,098.02	6,537.94	1,49,221.98
Inter-segment	7,608.57	-	-	-	7,608.57
	1,18,181.91	26,012.68	6,098.02	6,537.94	1,56,830.55
Inter-segment adjustment and elimination	(12,708.42)	(381.25)	(230.64)	2,643.58	(10,676.73)
Total revenue from contracts with customers	1,05,473.49	25,631.43	5,867.38	9,181.52	1,46,153.82

1.2 Contract balances

Particulars	31st March, 2021	31st March, 2020
Trade receivable	15,161.19	17,745.95
Contract liabilities / Advance from customer	1,660.72	1,450.15
Contract liability against loyalty points	891.18	689.82
Refund liability against periodical schemes	432.12	387.54
Trade receivables are non-interest bearing and are generally on terms of upto 90 days.		
Contract liabilities include short-term advances received from customers against future supply of goods.		
Set out below is the amount of revenue recognised from:		
The sum included in contract liabilities at the beginning of the year	1,356.70	1,025.71

1.3: Reconciling the amount of revenue recognised in the statement of Profit and Loss with contracted price:

Particulars	31st March, 2021	31st March, 2020
Revenue as per contracted price	1,32,409.39	1,50,316.35
Adjustments:		
Discounts, rebates and schemes	2,304.66	3,560.12
Loyalty points	1,103.92	602.41
Revenue from contract with customers	1,29,000.81	1,46,153.82

1.4: Performance obligation

Information about the Company's performance obligations are:

The performance obligation is satisfied upon delivery/confirmation of the products & services and payment is generally due within 90 days from delivery.

Note: 31 Other income

Particulars	2020-21	2019-20
(i) Interest Income from financial assets at amortised cost		
- On bank and other deposits	871.20	639.74
- On loans to others	377.62	350.07
- On Non convertible debentures	18.69	42.31
- On Others	28.15	-
(ii) Claims from insurance company	390.74	148.01
(iii) Provisions/liabilities no longer required written back	166.73	149.27
(iv) Profit on sale of property, plant and equipment	33.87	19.81
(v) Recovery of bad debts	25.43	17.60
(vi) Refund of tax paid under protest	-	8.96
(vii) Fair value changes of financial assets measured at FVTPL	1,166.61	30.39
(viii) Fair value changes of derivative measured at FVTPL [Gain/(Loss)]	214.24	(267.62)
(ix) Profit/(Loss) on sale of investment measured at FVTPL (Net)	95.17	3.69
(x) Net gain on foreign currency transactions and translations	713.67	613.82
(xi) Dividend income from long term investments measured at FVTPL	16.83	15.74
(xii) Miscellaneous Income	78.56	77.97
	4,197.51	1,849.76

Note: 32 Cost of materials consumed

Particulars	2020-21	2019-20
Raw Materials Consumed		
Opening Stock	27,357.93	24,180.27
Purchases during the year	53,352.19	74,881.46
	80,710.12	99,061.73
Less: Cost of materials sold	4,177.22	2,921.67
	76,532.90	96,140.06
Less: Closing Stock	18,906.32	27,357.93
	57,626.58	68,782.13

Note: 33 Changes in inventories of finished goods, stock-in-trade, work-in-progress and biological assets

Particulars	2020-21	2019-20
Opening Stock		
Finished Goods	10,978.85	10,328.54
Stock in Trade	1,885.20	1,509.75
Work-in-progress	1,197.57	952.97
Biological Assets	658.21	679.86
	14,719.83	13,471.12
Less: Closing Stock		
Finished Goods	10,649.23	10,978.85
Stock in Trade	1,377.37	1,885.20
Work-in-progress	1,066.20	1,197.57
Biological Assets	722.40	658.21
	13,815.20	14,719.83
	904.63	(1,248.71)

* Include change in fair value of biological assets on account of harvested biological assets transferred to inventory at fair value amounting to Rs. 469.56 (31 March 2020 - Rs. 235.05).

Note: 34 Employee benefits expense

Particulars	2020-21	2019-20
Salaries, Wages, Bonus etc.	14,962.64	16,839.91
Contribution to Provident and Other Funds*	1,043.75	1,161.95
Workmen and Staff Welfare	339.30	506.64
	16,345.69	18,508.50

* The Company has recognized an expense of Rs. 682.31 (31st March 2020 - Rs.765.82) incurred towards the defined contribution plan.

Note: 35 Finance costs

Particulars	2020-21	2019-20
Interest expense	1,609.92	2,017.63
Interest on shortfall in payment of advance tax	123.07	19.38
Other borrowing costs	83.98	63.30
	1,816.97	2,100.31

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Note: 36 Depreciation and amortization expenses

Particulars	2020-21	2019-20
Depreciation and amortization of property, plant and equipment	4,964.46	5,122.96
Amortization of Intangible assets	87.57	101.28
Amortization of right of use asset	616.59	654.25
	5,668.62	5,878.49

Note: 37 Other expenses

Particulars	2020-21	2019-20
Consumption of stores and spare Parts	2,738.67	3,025.43
Power and fuel	5,549.05	6,309.45
Job Work Charges	124.54	173.05
Short-term and low value lease rentals (Refer Note 42)	567.56	583.41
Rates and taxes	192.37	217.32
Repairs to :		
Buildings	110.21	132.60
Plant and machinery	369.34	462.86
Others	678.65	752.02
Legal and professional	1,369.53	1,166.18
Vehicle upkeep	598.19	690.57
Carriage outward	4,592.08	4,161.29
Packing and forwarding	2,417.70	2,630.05
Installation Expenses	243.30	315.15
Royalty Fees	53.77	66.16
Insurance	661.01	426.13
Commission	792.74	958.16
Printing and stationery	67.47	91.69
Postage and courier	93.59	129.69
Advertisement and business promotion	2,258.81	5,191.21
Travelling	483.61	1,263.11
Communication	216.00	254.96
Loss allowance for expected credit losses on trade receivable	-	116.45
Bad Debts and advances written off	113.02	28.19
Payments to the Auditors [Refer (a) below]	47.28	47.67
Bank charges and commission	88.46	90.19
Loss on sale/disposal of property, plant and equipment	151.89	80.39
CSR expenditure [Refer Note 45]	391.25	400.35
Charity and Donation	1.98	214.46
Agricultural Expenses	685.47	971.36
Miscellaneous expenses	1,446.21	1,502.58
	27,103.75	32,452.13

(a) Amount paid / payable to the auditors (excluding GST)

	2020-21	2019-20
As Statutory Auditors :		
Statutory Audit Fees	28.66	28.48
Tax Audit Fees	-	5.57
Other matters	15.60	10.28
Reimbursement of Expenses	1.73	1.69
	45.99	46.02
As Cost Auditors :		
Audit Fees	0.92	0.95
Reimbursement of Expenses	0.02	-
	0.94	0.95
As Secretarial Auditors :		
Audit Fees	0.35	0.70
Reimbursement of Expenses	-	-
	0.35	0.70
	47.28	47.67

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Note : 38 Tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

(a) Income tax expense

Particulars	31st March 2021	31st March 2020
<i>Current tax</i>		
Current tax on profits for the year	4,129.03	4,192.57
Total current tax expense	4,129.03	4,192.57
<i>Deferred tax</i>		
Deferred tax for the year	377.32	(1,219.79)
Total deferred tax expense	377.32	(1,219.79)
Income tax expense	4,506.35	2,972.79

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31st March 2021	31st March 2020
Profit before tax	17,692.18	15,916.26
Tax at the rate of 25.168% (2019-20 – 25.168%)	4,452.77	4,005.80
Reasons for differences are indicated below		
Expenditure disallowed under income tax	230.90	63.63
Income not considered for tax laws	(50.49)	(12.05)
Agricultural (income)/loss	(136.99)	(68.15)
Weighted deduction	-	76.13
Items on which tax applicable at differential rates	(0.24)	-
Excess provision for income tax adjusted	-	(74.68)
Change in Tax Rate	-	(921.48)
Others	10.40	(96.41)
Total income tax expense/(credit)	4,506.35	2,972.79

Note: 39 Earnings per share

Particulars	31st March 2021	31st March 2020
(i) Basic		
Number of equity shares at the beginning of the year	1,11,79,679	1,03,69,600
Number of equity shares at the end of the year	1,11,78,679	1,11,79,679
Weighted average number of equity shares outstanding during the year (A)	1,11,79,596	1,11,79,679
Nominal value of each equity Share (Rs.)	10	10
Profit / (Loss) for the year (B)	13,185.83	12,943.47
Earnings per share (Basic) (Rs.) (B/A)	117.95	115.78
(ii) Diluted		
Weighted average number of equity shares outstanding during the year	1,11,79,596	1,11,79,679
Earnings per share (Diluted) (Rs.)	117.95	115.78

Note: 40 Contingent liabilities

Particulars	31st March 2021	31st March 2020
(a) Claims against the Company not acknowledged as debts :		
Demands for sales tax and entry tax excluding interest (Deposit under protest Rs. 125.35 (31st March 2020 - Rs.108.42)	157.94	347.62
Demands for Excise, Custom Duty, Service tax excluding interest (Deposit under protest Rs.42.56 (31st March 2020 - Rs.42.40)	3519.89	5110.72
Demands for Income Tax excluding interest (Deposit under protest Rs. 888.17 (31st March 2020- Rs.438.17)	4332.92	3763.92
The Assessing Officer has issued draft assessment order for the Assessment Year 17-18 u/s 144C of the Income Tax Act,1961 making total addition of Rs 2003.90 and the objection is filed by the company against the draft assessment order before the Dispute Resolution Panel. The necessary adjustment/disclosure in the accounts will be made as and when the assessment is completed.		
Miscellaneous claims by suppliers and customers etc. against the Company	205.54	211.30
(b) Gurantee given:		
Non Financial Bank Guarantees	93.69	58.40
(c) Differential Bonus for 2014-15	151.52	151.52
	8,461.50	9,643.48

Note:-

In respect of the contingent liabilities mentioned in (a) above, pending resolution of the respective proceedings, it is not practicable for the company to estimate the timings of cash outflows, if any. In respect of matter mentioned in (b) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursement in respect of the above contingent liabilities.

Note: 41 Capital and other commitments

Particulars	31st March 2021	31st March 2020
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16,569.81	1,608.13
(b) Other Commitments		
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of duty with an undertaking to fulfil quantified export within six years. Certificate for fulfilment of Rs. 6840.18 (31 March 2020 - Rs.6813.98) is yet to be received.	5,900.61	4,033.39
Obligation under Advance Licenses	7,047.09	8,387.17
Outstanding letters of credit for materials yet to be received	1,912.82	2,686.02
TOTAL	31,430.33	16,714.71

Note: 42 Leases

As a lessee

The following lease payments are not recognised as lease liability

Particular	31st March 2021	31st March 2020
Short-term lease expenses	108.68	491.16
Low Value lease expenses	458.88	92.25
Total Lease expenses	567.56	583.41

As lessor:

The Company has given certain assets on operating lease to Mohak Laminates for a period of eleven months. The annual lease payment received by the the Company during the year is Rs.5.20

Note: 43 Assets given as security

The Carrying amount of assets given as security for current and non current borrowing are:

Particulars	31st March 2021	31st March 2020
Current		
Financial assets		
Trade receivables	15,161.19	17,745.95
Fixed deposit	19.10	19.11
Non-financial assets		
Inventories	34,539.38	43,932.13
Biological assets	722.40	658.21
Total current assets given as security	50,442.07	62,355.40
Non- Current		
Financial assets		
Investments	210.00	210.00
Non-financial assets		
Property, Plant and Equipment	50,582.70	51,923.47
Capital work-in-progress	1,645.91	1,986.26
Total non current assets given as security	52,438.61	54,119.73
Total assets given as security	1,02,880.68	1,16,475.13

Note: 44 Details relating to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31st March 2021	31st March 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,373.27	157.55
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.66	0.48
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	524.26	143.93
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 paid, 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	1.36	2.48
Further interest remaining due and payable for earlier years	2.60	0.34

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company

Note: 45 CSR expenditure

Particulars	2020-21	2019-20
(a) Gross amount required to be spent by the Company during the year	255.00	391.19
(b) Amount spent by the Company through these trusts / direct donation:		
- Construction / acquisition of any assets	-	-
- On purpose other than above	391.25	400.35
(c) Excess spent for the year	136.25	9.16

Note : 46 - Employee benefit obligations

(1) Leave obligations

The leave obligations cover the Company's liability for earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

(2) Post-employment obligations

(i) Provident Fund and National Pension saving scheme

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

(ii) Other Long-term Employment Benefits (unfunded)

Other long term employee benefits are actuarially determined (using the Projected Unit Credit Method) at the end of each year.

(iii) Gratuity

The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is actuarially determined on the basis of year end actuarial valuation (using the Projected Unit Credit Method) and is funded.

The Company operates a gratuity plan through the "LIC Gratuity Fund", a group gratuity scheme from Life Insurance Corporation of India. Every eligible employee is entitled to a benefit equivalent to fifteen days' salary last drawn 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.

a) Balance sheet recognition

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2019	1,150.37	1,211.79	(61.42)
Acquired through Business Combination	402.69	350.69	52.00
Current service cost	257.48	-	257.48
Interest expense/(income)	99.42	103.89	(4.47)
Total amount recognised in profit or loss	356.90	103.89	253.01
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.41	(2.41)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	175.55	-	175.55
Actuarial (gain)/loss from unexpected experience	(119.55)	-	(119.55)
Total amount recognised in other comprehensive income	56.00	2.41	53.59
Employer contributions/ premium paid	-	102.17	(102.17)
Benefit payments	115.98	115.98	-
31 March 2020	1,849.98	1,654.97	195.01

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2020	1,849.98	1,654.97	195.01
Current service cost	231.57	-	231.57
Interest expense/income	124.42	115.35	9.07
Total amount recognised in profit or loss	355.99	115.35	240.64
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.67)	1.67
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(69.54)	-	(69.54)
Actuarial (gain)/loss from unexpected experience	(198.84)	-	(198.84)
Total amount recognised in other comprehensive income	(268.38)	(1.67)	(266.71)
Employer contributions/ premium paid	-	155.74	(155.74)
Benefit payments	129.80	129.80	-
Settlement Cost	-	-	-
31 March 2021	1,807.79	1,794.59	13.20

Note : 46 - Employee benefit obligations (Contd.)

(b) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31st March	31st March
	2021	2020
Discount rate	6.97%	6.64%
Expected return on plan asset	6.97%	6.64%
Salary growth rate	7.00%	7.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2012-2014 Ultimate	IALM 2006-2008 Ultimate

(c) Sensitivity analysis

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

Particulars	Impact on defined benefit obligation			
	31st March 2021		31st March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	1,709.96	1,914.80	1,755.45	1,953.53
% change compared to base due to sensitivity	-5.41%	5.92%	-4.66%	5.09%
Salary growth rate (-/+ 0.5%)	1,909.13	1,714.39	1,947.38	1,760.29
% change compared to base due to sensitivity	5.61%	-5.17%	4.76%	-4.39%
Attrition rate (-/+ 0.5%)	1,807.17	1,808.40	1,850.38	1,849.56
% change compared to base due to sensitivity	-0.03%	0.03%	-0.04%	0.04%
Life expectancy/ mortality rate (-/+ 10%)	1,807.64	1,807.93	1,852.88	1,847.07
% change compared to base due to sensitivity	-0.01%	0.01%	-0.02%	0.02%

The sensitivity analysis is based on a change in an 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 the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

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

(d) The major categories of plan assets

The defined benefit plans are funded with an insurance company in India. The Company does not have any liberty to manage the funds provided to the insurance company. Thus the composition of each major category of plan assets has not been disclosed.

(e) Risk exposure

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

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(f) Defined benefit liability and employer contributions

Expected contribution to post-employment benefits plans for the year ending 31st March, 2022 is Rs. 2036.59

The weighted average duration of the defined benefit obligation is 21 years (31 March 2020 : 21 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1- 5 years	Over 5 years
31 March 2021			
Defined benefit obligation (gratuity)	138.10	502.56	4,245.93
Total	138.10	502.56	4,245.93
31 March 2020			
Defined benefit obligation (gratuity)	262.20	471.65	3,883.04
Total	262.20	471.65	3,883.04

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Note : 47 - Capital management

(a) Risk management

The company's objectives when managing capital are to:

1. safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
2. maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence, and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The amount mentioned under total equity in the balance sheet is considered as capital and debt includes long-term borrowings including current maturities. The debt-equity ratio of the Company is as follows:

Debt Equity Ratio

Particulars	31st March 2021	31st March 2020
Debt equity ratio	0.06	0.10

(b) Dividend

Particulars	31st March 2021	31st March 2020
(i) Equity shares		
Interim dividend for the year ended 31 March 2021 of Rs. Nil (31 March 2020 – Rs. 7) per fully paid share	-	492.34
Dividend distribution tax on interim dividend on Equity Shares	-	171.09

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Note : 48 - Fair value measurements

This note gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liabilities and equity instrument are disclosed in Note 2 to the financial statements.

Financial instruments by category

Particulars	31st March 2021			31st March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	10,656.68	11.11	6.60	6,261.88	7.23	409.78
Security deposits	-	-	563.30	-	-	599.51
Loans to employees	-	-	132.81	-	-	128.49
Loan to related parties	-	-	-	-	-	3,198.03
Fixed deposits	-	-	27,548.00	-	-	6,160.08
Trade receivables	-	-	15,161.19	-	-	17,745.95
Cash and cash equivalents	-	-	2,350.27	-	-	3,178.54
Other bank balances	-	-	40.32	-	-	2,142.78
Derivative assets	83.09	-	-	268.83	-	-
Other financial assets	-	-	438.37	-	-	598.71
Total financial assets	10,739.77	11.11	46,240.86	6,530.71	7.23	34,161.87
Financial liabilities						
Borrowings & Interest	-	-	16,352.17	-	-	24,401.04
Trade payables	-	-	18,517.80	-	-	19,114.68
Liabilities for purchase of capital assets	-	-	338.36	-	-	1,027.71
Derivative Liability	0.15	-	-	400.13	-	-
Employee Benefits payable	-	-	1,488.52	-	-	1,423.04
Deposits from customers and suppliers	-	-	750.46	-	-	815.54
Contract liability against loyalty points	-	-	891.18	-	-	689.82
Refund liability against periodical schemes	-	-	432.12	-	-	387.54
Unpaid / Unclaimed dividends	-	-	21.22	-	-	265.62
Other payables	-	-	997.09	-	-	1,103.60
Total financial liabilities	0.15	-	39,788.92	400.13	-	49,228.59

Note : 48 - Fair value measurements (Contd.)

(i) Fair value hierarchy

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1):

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares & Mutual fund.

Valuation techniques with observable inputs (Level 2):

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category consists of derivatives taken by the Company like forward contracts.

Valuation techniques with significant unobservable inputs (Level 3):

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

(ii) Valuation technique used to determine fair value of financial assets and liabilities

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer-quotes for similar instruments
- derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- the fair value of the financial instruments is determined using adjusted net worth method and discounted cash flow method.

(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:						
Investments	9,526.49	1,141.30	-	5,462.86	806.25	-
Derivative financial assets	-	83.09	-	-	268.83	-
	9,526.49	1,224.39	-	5,462.86	1,075.08	-
Financial Liabilities:						
Derivative financial liabilities	-	0.15	-	-	400.13	-
	-	0.15	-	-	400.13	-

(iv) Financial liabilities not measured at fair value but in respect of which fair value is as follows:

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings	6,424.85	6,178.99	9,468.45	8,838.10
Total financial liabilities	6,424.85	6,178.99	9,468.45	8,838.10

(v) Valuation technique used to determine fair value of non current financial assets and liabilities

- Non-current financial assets represent security deposits which do not have a fixed maturity period and these are primarily in the nature of utility deposits. Hence these are considered to be at their respective fair values at the reporting period.
- The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of loans to employees are considered to be approximately equal to the fair value.
- The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

(vi) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note : 49 - Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments carried at amortised cost.

Financial instruments that are subject to credit risk and concentration thereof principally consist trade receivables, loans receivables, investments, cash and cash equivalents and derivatives held by the Company. None of the financial instruments of the Company results in material concentration of credit risk.

i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within the organisation to ensure proper attention and focus for realisation. Further the Company receives security deposits and letter of credits on selected basis from its customers which mitigate the credit risk. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date:

Ageing of trade receivables

Particulars	Not due	Less than one year	More than one year and upto 3 years	More than 3 years	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Trade receivable as at 31 March, 2021	9,218.63	5,398.17	554.73	254.91	265.25	15,161.19
Trade receivable as at 31 March, 2020	8,372.22	8,787.19	716.76	147.45	277.67	17,745.95

ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on a periodical basis, and may be updated throughout the year subject to approval of the management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. For banks and financial institutions, only high rated banks/institutions are accepted.

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31 March, 2021 and 31 March, 2020 is the carrying amounts as illustrated in Note 49B

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note : 49 - Financial risk management (Contd.)

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31st March 2021	As at 31st March 2020
- Expiring within one year (bank overdraft and other facilities)	3,878.45	7,435.04
- Cash and Cash Equivalents	2,350.27	3,178.54
	6,228.72	10,613.58

The bank Overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(ii) Maturities of financial liabilities

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

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.

Contractual maturities of financial liabilities as at 31st March 2021	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payables	18,517.80	-	-	-	18,517.80
Lease liabilities	279.15	272.56	170.62	132.11	854.44
Borrowings	12,399.97	3871.05	-	-	16,271.02
Interest on borrowings	376.64	342.66	-	-	719.30
Liabilities for purchase of capital assets	338.36	-	-	-	338.36
Employee benefits payable	1,484.03	4.49	-	-	1,488.52
Deposits from customers and suppliers	750.46	-	-	-	750.46
Derivative liability	0.15	-	-	-	0.15
Contract liability against loyalty points	891.18	-	-	-	891.18
Refund liability against periodical schemes	432.12	-	-	-	432.12
Unpaid / Unclaimed dividends	21.22	-	-	-	21.22
Other payables	997.09	-	-	-	997.09
Total financial liabilities	36,488.17	4,490.76	170.62	132.11	41,281.66

Contractual maturities of financial liabilities as at 31st March 2020	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payables	19,114.68	-	-	-	19,114.68
Lease liabilities	567.38	523.84	167.46	293.68	1,552.36
Borrowings	17,701.18	6,231.07	369.54	-	24,301.79
Interest on borrowings	709.42	674.60	-	-	1,384.02
Liabilities for purchase of capital assets	1,027.71	-	-	-	1,027.71
Employee benefits payable	1,407.21	15.83	-	-	1,423.04
Deposits from customers and suppliers	815.54	-	-	-	815.54
Derivative liabilities	400.13	-	-	-	400.13
Contract liability against loyalty points	689.82	-	-	-	689.82
Refund liability against periodical schemes	387.54	-	-	-	387.54
Unclaimed dividends	265.62	-	-	-	265.62
Other payables	1,103.60	-	-	-	1,103.60
Total financial liabilities	44,189.83	7,445.34	537.00	293.68	52,465.85

Note : 49 - Financial risk management (Contd.)

(C) Market risk

The Company's business operations expose it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such market risk may arise out of volatility in currency rates, interest rates and prices.

(i) Foreign currency risk

The Company deals with trade receivables, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas market and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company also enters into forward contracts for managing its exposure to such foreign currency risk. The Company manages the exposure of foreign exchange fluctuation in borrowings by entering into derivatives contracts.

Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), is as follows:-

Particulars	31st March 2021				31st March 2020					
	GBP	USD	EUR	Yen	GBP	USD	EUR	THB	SEK	Yen
Financial assets										
Trade Receivables	364.22	4,575.69	192.71	-	244.40	4,956.51	3.39	1.62	-	-
Derivatives (including those on future exports)	-	(1,945.59)	-	-	-	(9,161.82)	-	-	-	-
Financial liabilities										
Long term borrowings	-	5,049.85	-	-	-	6,592.31	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	6,108.76	2,803.39	235.06	-	7,620.90	2,929.77	-	12.70	336.15
Derivatives	-	(5,392.88)	(220.18)	-	-	(7,410.11)	(153.76)	-	-	-
Net exposure to foreign currency risk against receivables / (payables)	364.22	(3,135.63)	(2,390.50)	(235.06)	244.40	(6,803.10)	(2,772.62)	1.62	(12.70)	(336.15)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax		Impact on other components of equity	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
USD sensitivity				
INR depreciates by 5% (31st March 2020 - 5%)*	(156.78)	(340.16)	(117.32)	(254.55)
INR appreciates by 5% (31st March 2020 - 5%)*	156.78	340.16	117.32	254.55
EURO sensitivity				
INR depreciates by 3% (31st March 2020 - 3%)*	(71.72)	(83.18)	(53.67)	(62.25)
INR appreciates by 3% (31st March 2020 - 3%)*	71.72	83.18	53.67	62.25
SEK sensitivity				
INR depreciates by 3% (31st March 2020 - 3%)*	-	(0.38)	-	(0.28)
INR appreciates by 3% (31st March 2020 - 3%)*	-	0.38	-	0.28
GBP sensitivity				
INR depreciates by 3% (31st March 2020 - 3%)*	10.93	7.33	8.18	5.49
INR appreciates by 3% (31st March 2020 - 3%)*	(10.93)	(7.33)	(8.18)	(5.49)
THB sensitivity				
INR depreciates by 3% (31st March 2020 - 3%)*	-	0.05	-	0.04
INR appreciates by 3% (31st March 2020 - 3%)*	-	(0.05)	-	(0.04)
Yen sensitivity				
INR depreciates by 3% (31st March 2020 - 3%)*	(7.05)	(10.08)	(5.28)	(7.54)
INR appreciates by 3% (31st March 2020 - 3%)*	7.05	10.08	5.28	7.54

* Assuming all other variables to be constant

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note : 49 - Financial risk management (Contd.)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

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

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31st March 2021	31st March 2020
Variable rate borrowings	1,034.59	1,489.97
Fixed rate borrowings	15,236.43	22,811.82
Total borrowings	16,271.02	24,301.79

(b) Sensitivity

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

Particulars	Impact on profit before tax		Impact on other components of equity	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Interest expense rates – increase by 50 basis points (50 bps)*	(5.17)	(7.45)	(3.87)	(5.57)
Interest expense rates – decrease by 50 basis points (50 bps)*	5.17	7.45	3.87	5.57

* Assuming all other variables to be constant

MERINO INDUSTRIES LIMITED
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

Note : 49 - Financial risk management (Contd.)

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Profit/Loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The Company's Board of Directors reviews and approves all investment decisions.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Company's equity(before tax)

Particulars	Impact on other components of equity (before tax)	
	31st March 2021	31st March 2020
Share price - Increase 5%*	0.56	0.36
Share price - Decrease 5%*	(0.56)	(0.36)

* Assuming all other variables to be constant

The table below summarizes the impact of increases/decreases of the mutual fund prices on the Company's equity(before tax)

Particulars	Impact on profit before tax	
	31st March 2021	31st March 2020
Mutual fund value - Increase 5% (5%)*	533.16	313.09
Mutual fund value - Decrease 7% (7%)*	(746.43)	(438.33)

* Assuming all other variables to be constant

(iv) Agricultural Risk

Cultivation of potato seeds and standing crops being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (potato seeds and standing crops) due to increase in supply/availability.

The Company manages the above financial risks in the following manner:

(a) Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.

(b) The Company manages this risk by aligning its production to anticipated demand and taking early corrective steps to recognise and dispose excess stocks.

MERINO INDUSTRIES LIMITED
Notes forming part of financial statements

(Rupees in lakhs, unless otherwise stated)

Note : 50 - Segment reporting

The Company's operating segments are organised and managed through the respective business managers, according to the nature of products manufactured and sold with each segment representing a strategic business unit. These business units' performance are reviewed by the board of director of the Company (Chief Operating Decision Maker - 'CODM').

The reporting segments of the Company are as below:

- Laminate - Comprises manufacturing and selling of Decorative Laminates, Chemicals (primarily meant for captive consumption), Adhesive and trading of Papers and chemicals.
- Panel Products & Furniture- Comprises manufacturing and selling of Panel Boards and Plywoods.
- Potato Flakes - This segment comprises manufacturing and sale of Potato Flakes and Ready Mixes.
- Others represent all unallocable items not included in segments:

- e) Geographical segments considered for disclosure are
- Sales within India
 - Sales outside India

Summary of the segmental information for the year ended and as of 31 March 2021 is as follows:

Particulars	Laminate	Panel Products and Furniture	Potato Flakes	Other (unallocable)	Elimination	Total
Segment Revenue						
Revenue	95,094.30	21,813.07	6,879.35	10,099.10		1,33,885.81
Inter segment sales	6,114.67				(6,114.67)	-
	1,01,208.97	21,813.07	6,879.35	10,099.10	(6,114.67)	1,33,885.81
Segment Results [Profit/(Loss) before interest and tax]						
	21,017.10	1,473.17	(766.38)	(2,214.74)		19,509.14
Finance cost	1,029.28	5.14	50.40	732.14		1,816.96
Profit/(Loss) Before Tax	19,987.82	1,468.03	(816.78)	(2,946.88)	-	17,692.18
Less : Current Tax	-	-	-	4,129.03	-	4,129.03
Less : Deferred Tax	-	-	-	377.32	-	377.32
Profit after tax	19,987.82	1,468.03	(816.78)	(7,453.23)	-	13,185.83
Segment Assets	67,025.14	19,402.59	3,806.31	60,899.92	-	1,51,133.96
Segment Liabilities	14,073.87	2,567.29	757.58	30,122.70	-	47,521.44
Segment Capital Expenditure	1,888.04	1,009.54	124.78	892.01	-	3,914.37
Segment Depreciation and amortisation	4,497.41	824.93	221.37	124.91	-	5,668.62

Summary of the segmental information for the year ended and as of 31 March 2020 is as follows:

Particulars	Laminate	Panel Products and Furniture	Potato Flakes	Other (unallocable)	Elimination	Total
Segment Revenue						
Revenue	1,10,573.34	26,012.68	6,098.02	6,537.94	-	1,49,221.98
Inter segment sales	7,608.57	-	-	-	(7,608.57)	-
	1,18,181.91	26,012.68	6,098.02	6,537.94	(7,608.57)	1,49,221.98
Segment Results [Profit/(Loss) before interest and tax]						
	21,800.34	1,826.29	80.22	(5,690.28)	-	18,016.57
Finance cost	225.23	0.12	-	1,874.96		2,100.31
Profit/(Loss) Before Tax	21,575.11	1,826.17	80.22	(7,565.25)	-	15,916.26
Less : Current Tax	-	-	-	4,192.57		4,192.57
Less : Deferred Tax	-	-	-	(1,219.79)		(1,219.79)
Profit after tax	21,575.11	1,826.17	80.22	(10,538.03)	-	12,943.48
Segment Assets	78,155.55	19,923.41	6,206.80	42,608.48	-	1,46,894.24
Segment Liabilities	11,669.09	2,729.12	2,186.14	40,064.34	-	56,648.69
Segment Capital Expenditure	7,645.87	2,221.76	119.83	1,212.45	-	11,199.91
Segment Depreciation and amortisation	4,715.86	767.78	312.03	82.82	-	5,878.49

Note : 50 - Segment reporting (Contd.)

Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Within India	85,776.45	1,03,405.23
Outside India	38,010.27	39,278.81
	1,23,786.72	1,42,684.04

(b) Carrying amount of segment assets:

Particulars	As at 31st March 2021	As at 31st March 2020
Within India	85,395.73	99,261.26
Outside India	4,838.31	5,024.50
	90,234.04	1,04,285.76

Entity wide disclosures

No customer individually accounted for more than 10% of the revenues from external customers during the years ended 31st March 2021 and 31st March 2020.

No material property, plant and equipment of the Company (excluding financial assets) are located outside India.

Note : 51 - Related parties disclosure

As per Ind AS 24, the disclosure of transactions with the related parties are given below:

i) List of related parties where control exists and other related parties with their relationship:

SN	Name	Relationship
a)	Key Management Personnel (KMP)	
	Mr. Champa Lal Lohia	Executive Chairman (Expired on 3rd April, 2020)
	Mr. Rup Chand Lohia	Executive Chairman (With effect from 1st July, 2020)
	Mr. Prakash Lohia	Managing Director
	Mr. Prasan Lohia	Whole-time Director
	Ms. Ruchira Lohia	Whole-time Director
	Mr. Nripen Dugar	Whole-time Director
	Mr. Bikash Lohia	Whole-time Director
	Mr. Madhusudan Lohia	Whole-time Director
	Mr. Deepak Lohia	Whole-time Director (With effect from 1st December, 2020)
	Mr. Manoj Lohia	Whole-time Director (With effect from 1st December, 2020)
	Mr. Anurag Lohia	Whole-time Director (With effect from 1st December, 2020)
	Mr. Gautam Bhattacharjee	Independent Director
	Mr. Sisir Kumar Chakrabarti	Independent Director
	Mr. Bama Prasad Mukhopadhaya	Independent Director
	Mr. Prabal Kumar Sarkar	Independent Director (With effect from 1st December, 2020)
	Mr. Sanjay Banka	Chief Financial Officer (resigned from 15-07-2020)
	Mr. Asok Kumar Parui	Chief Financial Officer (resigned from 30-09-2019)
	Mr. Sachin Selot	Chief Financial Officer (With effect from 11-01-2021)
	Mrs. Vinamrata Agrawal	Company Secretary (resigned from 15-01-2021)
	Mr. Bala Ji	Company Secretary (With effect from 09-07-2021)
b)	Relatives of KMP	Relationship
	Mrs. Tara Devi Lohia	Wife of Mr. Champa Lal Lohia
	Ms. Usha Lohia	Daughter of Mr. Champa Lal Lohia
	Mrs. Nayantara Agarwal	Daughter of Mr. Champa Lal Lohia
	Mrs. Asha Mundhra	Daughter of Mr. Champa Lal Lohia
	Mrs. Sita Devi Lohia	Mother of Mr. Prakash Lohia
	Mrs. Uma Singhi	Sister of Mr. Prakash Lohia
	Mrs. Kiran Maheswari	Sister of Mr. Prakash Lohia
	Mrs. Neera Lohia	Wife of Mr. Prakash Lohia
	Mrs. Sheela Lohia	Mother of Ms. Ruchira Lohia
	Ms. Pragya Lohia	Daughter of Mr. Manoj Lohia
	Ms. Prekshi Lohia	Daughter of Mr. Manoj Lohia
	Champa Lal Lohia - HUF	HUF
	Prakash Lohia - HUF	HUF
	Manoj Lohia - HUF	HUF
		Relatives of KMP
		Mrs. Praveena Lohia
		Mrs. Meghna Lohia
		Mr. Abhiroop Lohia
		Ms. Anuja Lohia
		Mrs. Shashi Lohia
		Mrs. Vandana Lohia
		Mrs. Mita Lohia
		Mr. Mihir Man Lohia
		Ms. Vani Lohia
		Ms. Radhika Lohia
		Mr. Govind Mundhra
		Rup Chand Lohia - HUF
		Prasan Lohia - HUF
		Relationship
		Wife of Mr. Rup Chand Lohia
		Wife of Mr. Prasan Lohia
		Son of Mr. Prasan Lohia
		Daughter of Mr. Prasan Lohia
		Wife of Mr. Bikash Lohia
		Wife of Mr. Manoj Lohia
		Wife of Mr. Madhusudan Lohia
		Son of Mr. Madhusudan Lohia
		Daughter of Mr. Madhusudan Lohia
		Daughter of Mr. Bikash Lohia
		Son in law of Late Champa Lal Lohia
		HUF
		HUF
c)	Entities over which KMP together with their relatives have significant influence :	
	Merino Properties Private Limited	
	Merino Consulting Services Limited	
	Kasturi Bai Gopi Babu Cold Storage Private Limited	
	Man Kumar Lohia and Brothers	
	Usha Agro Farm	
	Anupriya Marketing Limited	
	Sri Harakasturi Memorial Trust	
	Sri Man Kumar Lohia Memorial Trust	
	Sri Prem Chand Lohia Memorial Trust	
	Sri Hara Kasturi Trust	

Note : 51 - Related parties disclosure (Contd.)

Sr No.	Related Party	Relationship	Outstanding as at 31st March, 2021	Outstanding as at 31st March, 2020	Payable/ receivable/ others	Nature of Transaction	2020-2021	2019-2020
1	Merino Properties Private Limited	Entities over which KMP together with their relatives have significant influence	-	-	Trade receivables	Revenue from operations	0.01	-
			64.61	55.67	Other financial liabilities	Payable on account of Business Combination	-	-
			-	0.40	Trade payables	Rent, other charges and reimbursement paid	92.22	92.45
2	Merino Consulting Services Limited	Entities over which KMP together with their relatives have significant influence	26.73	-23.51	Trade payables	Software / Professional charges	725.25	479.13
			-	105.54	Other Current Asset	Royalty on trade mark received	-	0.29
			-	-		Purchase of tangible assets and intangible assets	-	21.40
			-	0.30	Trade receivables	Revenue from operations	2.21	1.62
			-	2,254.94	Unsecured Loan*	Unsecured loan given*	473.30	840.55
			-	-	-	Unsecured loan refunded*	2,728.24	264.00
			-	-	-	Interest received*	240.95	230.84
23.77	11.35	Other financial assets	Receivable on account of Business Combination	-	-			
3	Kasturibai Gopi Babu Cold Storage Private Limited	Entities over which KMP together with their relatives have significant influence	0.53	13.54	Trade receivables	Revenue from operations	2.10	9.13
			-	-		Sale of tangible assets	-	9.94
			-	-		Purchases / Material consumed	4.72	5.02
			593.17	532.90	Trade payables	Rent, other charges and reimbursement paid	489.25	553.76
			-	-	-	Issue of 67800 Equity Shares pursuant to the Scheme of Amalgamation	6.78	-
			-	943.09	Unsecured Loan*	Unsecured loan given*	561.48	621.59
			-	-		Unsecured loan refunded*	1,504.57	664.58
-	-		Interest received*	118.08	112.02			
-	-		Rent, other charges and reimbursement received	1.26	0.78			
4	Man Kumar Lohia and Brothers	Entities over which KMP together with their relatives have significant influence	-	-	Trade Payables	Rent, other charges and reimbursement paid	144.43	138.62
5	Usha Agro Farm	Entities over which KMP together with their relatives have significant influence	-	1.02	Trade receivables	Revenue from operations	0.16	-
			-	-	Trade payables	Purchases / Material consumed	12.67	1.02
			-	-		Rent, other charges and reimbursement paid	31.76	31.76
			-	-	Unsecured Loan*	Unsecured loan given*	1.00	2.75
-	-		Unsecured loan refund*	1.00	2.75			
-	-		Interest received*	0.03	0.09			
6	Sri Hara Kasturi Memorial Trust	Entities over which KMP together with their relatives have significant influence	5.00	1.84	Trade receivables	Revenue from operations	6.12	14.55
			-	-		Sale of tangible assets	0.35	-
			-	-		Rent, other charges and reimbursement received	1.06	0.58
			-	-		Donation for corporate social responsibility expenses	332.00	215.75
			-	-		Donation made	-	67.10
-	-		Donation made	-	20.45			
7	Sri Man Kumar Lohia Memorial trust	Entities over which KMP together with their relatives have significant influence	0.94	-	Trade receivables	Revenue from operations	1.33	-
			0.74	-	Trade payables	Rent, other charges and reimbursement paid	0.74	-
			-	-		Donation for corporate social responsibility expenses	25.00	-

Note : 51 - Related parties disclosure (Contd.)

Sr No.	Related Party	Relationship	Outstanding as at 31st March, 2021	Outstanding as at 31st March, 2020	Payable/ receivable/ others	Nature of Transaction	2020-2021	2019-2020
8	Sri Premchand Lohia Memorial Trust	Entities over which KMP together with their relatives have significant influence	-	-		Donation made	-	41.25
			0.23	-	Trade receivables	Revenue from operations	0.20	0.01
			0.10	-	Trade payables	Rent, other charges and reimbursement paid	2.28	-
			-	-	-	Purchases / Material consumed	0.20	-
			-	-	-	Miscellaneous reimbursement received	-	0.29
			-	-	-	Donation for corporate social responsibility expenses	34.00	-
9	Anupriya Marketing Limited	Entities over which KMP together with their relatives have significant influence	101.01	148.16	Trade payables	Marketing service provider fees	302.48	354.60
10	Shri Champa Lal lohia	KMP	-	-	-	Directors' remuneration	1.83	183.32
			-	-	-	Dividend paid/payable	-	26.00
			-	-	-	Issue of 907691 Equity Shares pursuant to the Scheme of Amalgamation	90.77	-
			-	62.08	Unsecured Loan*	Unsecured loan taken*	29.75	384.06
						Unsecured loan repaid*	91.83	415.11
			Interest paid*	10.31	26.20			
11	Shri Rup Chand Lohia	KMP	-	-	-	Directors' remuneration	105.71	120.77
			-	-	-	Issue of 680290 Equity Shares pursuant to the Scheme of Amalgamation	68.03	-
			-	42.38	Unsecured Loan*	Unsecured loan taken *	58.00	215.00
						Unsecured loan repaid*	100.38	212.73
						Interest paid*	8.63	9.30
			Dividend paid/payable	-	14.57			
12	Shri Prakash Lohia	KMP	-	-	-	Directors' remuneration	152.02	178.29
			-	-	-	Dividend paid/payable	-	39.83
			-	-	-	Issue of 621982 Equity Shares pursuant to the Scheme of Amalgamation	62.20	-
			-	40.26	Unsecured Loan*	Unsecured loan taken *	78.00	150.50
						Unsecured loan repaid*	118.26	183.97
			Interest paid*	10.74	8.68			
13	Shri Bikash Lohia	KMP	-	-	-	Directors' remuneration	155.07	137.10
			-	-	-	Dividend paid/payable	-	31.36
			-	0.70	Trade payables	Rent Paid	9.60	9.63
			-	-	-	Revenue from Operations	0.40	-
			-	-	-	Issue of 146528 Equity Shares pursuant to the Scheme of Amalgamation	14.65	-
			-	69.63	Unsecured Loan*	Unsecured loan taken *	57.50	132.52
						Unsecured loan repaid*	127.13	95.20
			Interest paid*	8.92	6.10			
14	Shri Prasan Lohia	KMP	-	-	-	Directors' remuneration	129.21	149.71
			-	-	-	Dividend paid/payable	-	12.54
			-	-	-	Issue of 173523 Equity Shares pursuant to the Scheme of Amalgamation	17.35	-
			-	0.31	Unsecured Loan*	Unsecured loan taken *	20.50	7.25
			Unsecured loan repaid*	20.81	7.52			
			Interest paid*	0.46	0.22			
15	Ms. Ruchira Lohia	KMP	-	-	-	Directors' remuneration	129.26	160.25
			-	-	-	Dividend paid/payable	-	35.95
			-	-	-	Issue of 223570 Equity Shares pursuant to the Scheme of Amalgamation	22.36	-
			-	371.83	Unsecured Loan*	Unsecured loan taken *	73.50	91.75
						Unsecured loan repaid*	445.33	57.38
			Interest paid*	47.72	43.03			

Note : 51 - Related parties disclosure (Contd.)

Sr No.	Related Party	Relationship	Outstanding as at 31st March, 2021	Outstanding as at 31st March, 2020	Payable/ receivable/ others	Nature of Transaction	2020-2021	2019-2020
16	Shri Madhusudan Lohia	KMP	-	-	-	Directors' remuneration	125.53	148.68
			-	-	-	Dividend paid/payable	-	51.30
			-	0.54	Trade payables	Rent Paid	7.15	7.15
			-	-	-	Revenue from Operations	5.85	9.14
			-	-	-	Issue of 273664 Equity Shares pursuant to the Scheme of Amalgamation	27.37	-
			-	58.90	Unsecured Loan*	Unsecured loan taken *	203.50	100.25
17	Shri Nripen Dugar	KMP	-	-	-	Unsecured loan repaid*	262.40	47.37
			-	-	-	Interest paid*	9.11	2.19
			-	-	-	Directors' remuneration	54.57	58.46
18	Shri Asok Kumar Parui	Chief Financial Officer	-	-	-	Dividend paid/payable	-	0.04
19	Shri Sanjay Banka	Chief Financial Officer	-	-	-	Salary	-	17.93
20	Shri Sachin Selot	Chief Financial Officer	-	-	-	Salary	22.77	44.71
21	Mrs. Vinamrata Agrawal	KMP	-	-	-	Salary	19.66	-
22	Mrs. Tara Devi Lohia	Relatives of KMP	-	-	-	Salary	5.75	6.11
			-	-	-	Dividend paid/payable	-	16.88
			-	-	Trade payables	Rent, other charges and reimbursement paid	2.10	2.10
			-	-	-	Issue of 165185 Equity Shares pursuant to the Scheme of Amalgamation	16.52	-
23	Shri Deepak Lohia	Whole-time Director (With effect from 1st December, 2020)	-	224.73	Unsecured Loan*	Unsecured loan taken *	568.50	146.75
			-	-	-	Unsecured loan repaid*	793.23	132.57
			-	-	-	Interest paid*	46.78	25.72
24	Mrs. Shashi Lohia	Relatives of KMP	-	-	-	Dividend paid/payable	-	40.74
			-	-	-	Salary	126.46	140.99
			-	-	-	Directors' remuneration	68.95	-
			-	0.70	Trade payables	Rent paid	14.68	14.71
			-	-	-	Revenue from operations	0.06	-
			-	-	-	Issue of 134484 Equity Shares pursuant to the Scheme of Amalgamation	13.45	-
			-	468.60	Unsecured Loan*	Unsecured loan taken *	90.17	98.30
25	Ms. Usha Lohia	Relatives of KMP	-	-	-	Unsecured loan repaid*	558.77	50.74
			-	-	-	Interest paid*	61.18	53.40
			-	-	-	Dividend paid/payable	-	3.50
26	Mrs. Shashi Lohia	Relatives of KMP	-	-	-	Rent, other charges and reimbursement paid	1.68	1.68
			-	-	-	Issue of 20505 Equity Shares pursuant to the Scheme of Amalgamation	2.05	-
			-	15.76	Unsecured Loan*	Unsecured loan taken *	-	4.75
			-	-	-	Unsecured loan repaid*	15.76	11.24
27	Ms. Usha Lohia	Relatives of KMP	-	-	-	Interest paid*	1.77	2.38
			-	-	-	Dividend paid/payable	-	11.20
			-	-	-	Issue of 43392 Equity Shares pursuant to the Scheme of Amalgamation	4.34	-
28	Ms. Usha Lohia	Relatives of KMP	-	226.29	Unsecured Loan*	Unsecured loan taken *	7.25	9.45
			-	-	-	Unsecured loan repaid*	233.54	4.08
			-	-	-	Interest paid*	27.70	26.81

Note : 51 - Related parties disclosure (Contd.)

Sr No.	Related Party	Relationship	Outstanding as at 31st March, 2021	Outstanding as at 31st March, 2020	Payable/ receivable/ others	Nature of Transaction	2020-2021	2019-2020
26	Mrs. Nayantara Agarwal	Relatives of KMP	-	-	-	Dividend paid/payable	-	5.60
			-	-	-	Rent paid	3.43	3.43
			-	-	-	Issue of 1118 Equity Shares pursuant to the Scheme of Amalgamation	0.11	-
			587.12	540.53	Unsecured Loan*	Unsecured loan taken *	6.00	-
					Unsecured loan repaid*	24.04	39.70	
					Interest paid*	64.63	67.04	
27	Mrs. Asha Mundhra	Relatives of KMP	-	-	-	Dividend paid/payable	-	2.95
			-	-	-	Rent paid	2.63	2.63
			-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
			-	0.68	Unsecured Loan*	Unsecured loan taken *	-	-
					Unsecured loan repaid*	0.68	0.01	
					Interest paid*	0.08	0.08	
28	Shri Anurag Lohia	Whole-time Director (With effect from 1st December, 2020)	-	-	-	Rent paid	1.59	1.59
			-	-	-	Salary	61.56	57.22
			-	-	-	Directors' remuneration	33.57	-
			-	-	-	Dividend Paid	-	10.50
			-	-	-	Issue of 678 Equity Shares pursuant to the Scheme of Amalgamation	0.07	-
			-	25.80	Unsecured Loan*	Unsecured loan taken *	50.09	26.10
					Unsecured loan repaid*	75.89	5.38	
					Interest paid*	6.15	1.84	
29	Mrs. Sita Devi Lohia	Relatives of KMP	-	-	-	Dividend paid/payable	-	11.44
			-	-	-	Issue of 113495 Equity Shares pursuant to the Scheme of Amalgamation	11.35	-
			-	301.53	Unsecured Loan*	Unsecured loan taken *	5.75	256.00
						Unsecured loan repaid*	307.28	49.21
					Interest paid*	29.44	19.63	
30	Mrs. Uma Singhi	Relatives of KMP	-	-	-	Dividend paid/payable	-	7.41
			-	-	-	Rent paid	3.39	3.39
			-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
			-	3.53	Unsecured Loan*	Unsecured loan taken *	-	-
					Unsecured loan repaid*	3.53	0.04	
					Interest paid*	0.43	0.42	
31	Mrs. Kiran Maheswari	Relatives of KMP	-	0.54	Trade Payables	Rent, other charges and reimbursement paid	11.14	9.86
32	Mrs. Neera Lohia	Relatives of KMP	-	-	-	Dividend paid/payable	-	20.91
			-	0.52	Trade Payables	Rent paid	6.92	6.92
			-	-	-	Issue of 159552 Equity Shares pursuant to the Scheme of Amalgamation	15.96	-
			-	183.77	Unsecured Loan*	Unsecured loan taken *	75.25	152.75
					Unsecured loan repaid*	259.02	67.74	
					Interest paid*	26.98	11.42	
33	Mrs. Mita Lohia	Relatives of KMP	-	1.06	Trade Payables	Rent paid	14.09	14.09
			-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
			-	143.11	Unsecured Loan*	Unsecured loan taken *	38.75	56.55
						Unsecured loan repaid*	181.86	11.88
					Interest paid*	20.01	14.56	

Note : 51 - Related parties disclosure (Contd.)

Sr No.	Related Party	Relationship	Outstanding as at 31st March, 2021	Outstanding as at 31st March, 2020	Payable/ receivable/ others	Nature of Transaction	2020-2021	2019-2020
34	Mr. Mihir Man Lohia	Relatives of KMP	-	-	-	Issue of 3390 Equity Shares pursuant to the Scheme of Amalgamation	0.34	-
			-	2.59	Unsecured Loan*	Unsecured loan taken *	-	-
			-	-	-	Unsecured loan repaid*	2.59	0.03
			-	-	-	Interest paid*	0.31	0.31
35	Ms. Vani Lohia	Relatives of KMP	-	-	-	Issue of 3390 Equity Shares pursuant to the Scheme of Amalgamation	0.34	-
			-	2.78	Unsecured Loan*	Unsecured loan taken *	-	-
			-	-	-	Unsecured loan repaid*	2.78	0.03
			-	-	-	Interest paid*	0.33	0.33
36	Mrs. Sheela Lohia	Relatives of KMP	-	-	-	Dividend paid/payable	-	8.22
			-	-	-	Issue of 179893 Equity Shares pursuant to the Scheme of Amalgamation	17.99	-
			-	255.73	Unsecured Loan*	Unsecured loan taken *	4.75	142.50
			-	-	-	Unsecured loan repaid*	260.48	42.19
37	Mrs. Praveena Lohia	Relatives of KMP	-	-	-	Interest paid*	30.08	24.09
			-	-	-	Dividend paid/payable	-	12.59
			-	-	-	Issue of 74612 Equity Shares pursuant to the Scheme of Amalgamation	7.46	-
			-	26.96	Unsecured Loan*	Unsecured loan taken *	16.50	11.00
38	Mrs. Meghna Lohia	Relatives of KMP	-	-	-	Unsecured loan repaid*	43.46	11.04
			-	-	-	Interest paid*	4.20	2.94
			-	-	-	Dividend paid/payable	-	18.52
			-	-	-	Issue of 9186 Equity Shares pursuant to the Scheme of Amalgamation	0.92	-
39	Shri Manoj Lohia	Whole-time Director (With effect from 1st December, 2020)	-	-	-	Unsecured loan taken *	9.00	123.40
			-	5.12	Unsecured Loan*	Unsecured loan repaid*	14.12	128.26
			-	-	-	Interest paid*	0.70	5.62
			-	-	-	Dividend paid/payable	-	15.38
40	Shri Abhiroop Lohia	Relatives of KMP	-	-	-	Salary	85.05	156.80
			-	-	-	Directors' Remuneration / benefits	54.80	-
			-	-	-	Issue of 135000 Equity Shares pursuant to the Scheme of Amalgamation	13.50	-
			-	250.71	Unsecured Loan*	Unsecured loan taken *	40.25	262.75
41	Ms. Anuja Lohia	Relatives of KMP	-	-	-	Unsecured loan repaid*	290.96	14.05
			-	-	-	Interest paid*	8.48	1.16
			-	-	-	Dividend paid/payable	-	14.00
			-	-	-	Issue of 1763 Equity Shares pursuant to the Scheme of Amalgamation	0.18	-
42	Mrs. Vandana Lohia	Relatives of KMP	-	-	-	Unsecured loan taken *	7.00	118.10
			-	0.75	Unsecured Loan*	Unsecured loan repaid*	7.75	125.47
			-	-	-	Interest paid*	0.43	4.69
			-	-	-	Dividend paid/payable	-	3.50
43	Mrs. Vandana Lohia	Relatives of KMP	-	-	-	Issue of 2915 Equity Shares pursuant to the Scheme of Amalgamation	0.29	-
			-	8.71	Unsecured Loan*	Unsecured loan taken *	1.75	24.65
			-	-	-	Unsecured loan repaid*	10.46	27.27
			-	-	-	Interest paid*	0.39	2.69
44	Mrs. Vandana Lohia	Relatives of KMP	-	-	-	Issue of 44282 Equity Shares pursuant to the Scheme of Amalgamation	4.43	-
			-	-	-	Dividend paid/payable	-	20.88
			-	0.22	Unsecured Loan*	Unsecured loan taken *	134.25	10.25
			-	-	-	Unsecured loan repaid*	134.47	82.40
							11.71	3.90

Note : 51 - Related parties disclosure (Contd.)

Sr No.	Related Party	Relationship	Outstanding as at 31st March, 2021	Outstanding as at 31st March, 2020	Payable/ receivable/ others	Nature of Transaction	2020-2021	2019-2020
43	Ms. Pragya Lohia	Relatives of KMP	-	-	-	Issue of 4000 Equity Shares pursuant to the Scheme of Amalgamation	0.40	-
			-	3.37	Unsecured Loan*	Unsecured loan taken *	48.50	-
			-	-	-	Unsecured loan repaid*	51.87	30.12
			-	-	-	Interest paid*	4.57	1.81
44	Ms. Prekshi Lohia	Relatives of KMP	-	-	-	Issue of 4000 Equity Shares pursuant to the Scheme of Amalgamation	0.40	-
			-	14.35	Unsecured Loan*	Unsecured loan taken *	21.50	-
			-	-	-	Unsecured loan repaid*	35.85	0.67
			-	-	-	Interest paid*	3.68	1.73
45	Ms. Radhika Lohia	Relatives of KMP	-	-	-	Issue of 678 Equity Shares pursuant to the Scheme of Amalgamation	0.07	-
			-	-	-	Dividend paid/payable	-	7.00
			-	3.86	Unsecured Loan*	Unsecured loan taken *	7.00	-
			-	-	-	Unsecured loan repaid*	10.86	0.05
46	Champa Lal Lohia - HUF	HUF	-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
			-	6.70	Unsecured Loan*	Unsecured loan taken *	-	-
			-	-	-	Unsecured loan repaid*	6.70	0.08
			-	-	-	Interest paid*	0.81	0.80
47	Rup Chand Lohia - HUF	HUF	-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
			-	15.19	Unsecured Loan*	Unsecured loan taken *	-	-
			-	-	-	Unsecured loan repaid*	15.19	0.18
			-	-	-	Interest paid*	1.83	1.82
48	Prakash Lohia - HUF	HUF	-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
			-	11.06	Unsecured Loan*	Unsecured loan taken *	-	-
			-	-	-	Unsecured loan repaid*	11.06	0.13
			-	-	-	Interest paid*	1.33	1.33
49	Prasan Lohia - HUF	HUF	-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
50	Manoj Lohia - HUF	HUF	-	-	-	Issue of 68 Equity Shares pursuant to the Scheme of Amalgamation	0.01	-
51	Mr. Gautam Bhattacharjee	Independent Director	-	-	-	Sitting Fees	2.40	3.80
52	Mr. Sisir Kumar Chakrabarti	Independent Director	-	-	-	Sitting Fees	2.40	3.10
53	Mr. Bama Prasad Mukhopadhaya	Independent Director	-	-	-	Sitting Fees	2.40	3.10
54	Mr. Prabal Kumar Sarkar	Independent Director	-	-	-	Sitting Fees	0.50	-

Compensation to KMP other than Independent Directors	31.Mar.21	31.Mar.20
Short-term employee benefits	1,326.87	1,532.10
Post-employment benefits	4.90	28.24
Total compensation	1,331.77	1,560.34

* Represents transactions due to Business Combination as per NCLT order

** transactions are inclusive of GST, wherever applicable

MERINO INDUSTRIES LIMITED
Notes to the financial statements

(Rupees in lakhs, unless otherwise stated)

Note 52: Business Combination

The National Company Law Tribunal Kolkata bench, (NCLT) vide order dated September 29, 2020 as amended on October 13, 2020 sanctioned the Scheme of Amalgamation of Merino Panel Products Limited, Residual business of Merino Services Limited and Residual Business of Merino Exports Private Limited with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. April 01, 2019. The Scheme became effective on March 01, 2021 and impact of the scheme has been considered during the year ended March 31, 2020. The carrying value of the assets and liabilities of business undertakings as on 1st April 2019 were as given below:

Particulars	Carrying value recognised on Business combination			
	Residual Business of MEXPL	Residual Business of MSL	MPPL	Total
Assets				
Non Current Assets				
Property, plant and equipment	462.53	0.50	12,818.77	13,281.81
Capital work-in-progress	-	-	675.36	675.36
Other intangible assets	-	-	128.85	128.85
Deferred Tax Assets	-	4.16	-	4.16
Financial assets				
(i) Investments	1,046.90	20.80	5,807.31	6,875.00
(ii) Loans	2.01	4.55	143.68	150.24
(iii) Other financial assets	-	-	2.26	2.26
Other non-current assets	-	-	50.77	50.77
Current assets				
Inventories	-	-	10,348.66	10,348.66
Financial assets	-	-	-	-
(i) Investments	-	-	2,647.91	2,647.91
(ii) Trade receivables	11.56	5.16	8,279.73	8,296.45
(iii) Cash and cash equivalents	399.09	8.09	936.54	1,343.71
(iv) Other bank balances	11.17	-	-	11.17
(v) Loans	2,471.23	0.60	80.97	2,552.80
(vi) Other financial assets	-	0.30	413.36	413.66
Current tax assets (net)	72.75	3.08	98.05	173.88
Other current assets	17.81	0.42	1,150.93	1,169.16
Total	4,495.03	47.67	43,583.15	48,125.85
Reserves				
Securities premium	-	-	300.00	300.00
Capital Reserve	262.46	-	-	262.46
Capital Redemption Reserve	3.16	-	-	3.16
Revaluation Reserve	365.65	-	-	365.65
Statutory Reserve	233.59	-	-	233.59
General Reserve	78.76	-	3,097.44	3,176.20
Retained earnings	1,848.13	397.59	28,279.28	30,525.00
Other comprehensive income	-	-	12.93	12.93
Non Current Liabilities				
Borrowings	-	-	1,375.00	1,375.00
Other financial liabilities	-	-	14.81	14.81
Deferred tax liabilities (net)	-	-	1,378.11	1,378.11
Other non current liabilities	-	-	-	-
Current Liabilities				
Borrowings	2,344.89	-	1,299.83	3,644.72
Trade payables	0.82	0.15	5,134.62	5,135.59
Other financial liabilities	-	10.84	1,579.54	1,590.38
Other current liabilities	32.46	2.17	394.83	429.46
Provisions	6.18	-	177.56	183.74
Current tax liabilities (net)	-	-	339.20	339.20
Total	5,176.09	410.75	43,383.15	48,969.99
Total identifiable net assets	(681.05)	(363.08)	200.00	(844.14)
Investment cancellation	(840.02)	(20.74)	-	(860.76)
Purchase consideration to be transferred (shown as shares pending allotment)	387.42	28.76	3.54	419.72
Difference in Net Assets taken over (including reserves) and purchase consideration adjusted to Retained earnings	(1,908.50)	(412.58)	196.46	(2,124.62)
MIL Investment cancellation (Net of DTL & OCI)				151.97
MIL Share cancellation				(338.57)
Capital Reserve				(1,938.02)

MERINO INDUSTRIES LIMITED
Notes to the financial statements

(Rupees in lakhs, unless otherwise stated)

Note : 53 - Covid 19

The spread of Covid-19 pandemic from mid-March, 20 continues to have an unprecedented impact on people and economy. We have taken prompt action to extend support to all of our stakeholders and maintain our operations through the crisis. There is no significant impact in our operations and results for the year ended March 31, 2021.

The Company has considered the possible effects that may have resulted from the pandemic relating to Covid-19 on the carrying amounts of trade receivables, tangible assets, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Based on current estimate the Company expects the carrying amount of these assets will be recovered.

Note : 54 - Unsecured loan

The unsecured loan includes a sum of Rs. 587.12 devolved on the company by operation of law consequent to merger of Residual Business of Merino Exports (P) Ltd ("MEXPL") since dissolved without winding up, in terms of the Order dated 29th September 2020 as amended by Order dated 13th October 2020 of the National Company Law Tribunal, Kolkata Bench ("NCLT Order"). This amount represents balance of deposits taken from a Non Resident Depositor. The company has been advised that the provisions of the Companies (Acceptance of Deposits) Rules, 2014 as amended, do not apply to the Company as it did not accept the deposit/loan from the non-resident depositor but the same was devolved on the Company from MEXPL as per the NCLT Order, as referred to above. The Company plans to repay the deposit/ loan after receipt of approval from the Reserve Bank of India ("RBI"), for which an application has already been filed to the RBI by the company.

Note : 55 - Proposed Dividend

The Board of directors has recommended dividend of Rs. 6.00 (Previous Year Rs. Nil) per equity share aggregating Rs. 670.72 (Previous Year Rs. Nil) for the financial year ended March 31, 2021 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

Note : 56- Previous year's figures

Previous year's figures have been regrouped/rearranged wherever necessary.

General information and significant accounting policies The accompanying notes numbered 1 to 56 are an integral part of the financial statements.

As per our report of even date attached
For Singhi & Co.

Chartered Accountants

Firm Registration Number : 302049E

For and on behalf of The Board of Directors

Rup Chand Lohia

Executive Chairman

DIN : 00063290

Place : Bangalore

Prakash Lohia

Managing Director

DIN : 00063274

Place : Hapur (U.P)

B.L.Choraria

Partner

Membership Number : 022973

Sachin Selot

Chief Financial Officer

Place : New Delhi

Date : 3rd September, 2021

Bala Ji

Company Secretary

M. No.- F9919

Place : New Delhi

Place : Noida (Delhi NCR)

Date : 3rd September, 2021



Merino Industries Limited

CIN: U51909WB1965PLC026556

Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020

Phone: 033-2290-1214, Fax: 91-33-2287-0314, E-mail: balaji@merinoindia.com

Website: www.merinoindia.com

NOTICE

TO THE MEMBERS,

NOTICE is hereby given that the 56th Annual General Meeting of the members of Merino Industries Limited will be held on Thursday, the 30th day of September, 2021 at 11:30 a.m. through Video Conference (VC) / Other Audio Visual Means (OAVM) facility at the Registered Office at 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March, 2021.
3. To appoint a Director in place of Shri Prasan Lohia (DIN: 00061111), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Miss Ruchira Lohia (DIN: 00127797), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5. To approve revision of remuneration of Shri Prakash Lohia, Managing Director (DIN: 00063274) with effect from 01.10.2021 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in partial modification of the relevant resolution passed at the Extra-Ordinary General Meeting of the Company held on 28.02.2020 and in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to the revision in remuneration, perquisites and benefits of Shri Prakash Lohia, Managing Director (DIN: 00063274) for the remaining period of his tenure of office (i.e. upto 28.02.2023) with effect from 01.10.2021 on the following terms and conditions as set out fully in the draft supplemental service agreement to be entered into between the Company and Shri Prakash Lohia, a copy of which is placed before the meeting with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Prakash Lohia:

Salary: Rs. 16,68,000/- per month effective from 01.10.2021 onwards and in the Scale with effect from 01.10.2021 and ending on 28.02.2023 Rs.16,68,000-1,66,800-18,34,800 with the increment falling due on 1st April 2022.

Other Terms & Conditions: All other Terms & Conditions shall remain unchanged.”

6. To approve re-appointment of Shri Bikash Lohia (DIN: 00154013) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.10.2021 and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri Bikash Lohia (DIN: 00154013) as Whole-time Director of the Company for a further period of three years, effective 1st day of October, 2021 and payment of the following remuneration to him for the said period on the terms and conditions as are set out in the agreement to be entered into between the Company and Shri Bikash Lohia, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Bikash Lohia:

Salary: Rs. 12,65,000/- per month (consolidated) for the period from 01.10.2021 to 31.03.2022 and the Scale with effect from 01.04.2022 and ending on 30.09.2024 Rs. 13,91,500-1,39,150-1,53,060-16,83,710 with the increment falling due on 1st April 2023 and 1st April 2024.

Perquisites: Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees (for self only).

The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Bikash Lohia, shall not exceed Rs.1,00,000/- per financial year.

The perquisites amounting to Rs 1,00,000/- (Rs. One Lac only) as per the current service agreement shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of avilment of the said perquisites.

Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund and gratuity as provided by the Company shall be as per policy of the company.

Additional Benefits: The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the avilment of medical treatment and other incidental expenses) on actual basis, for self, mother, spouse and children to Shri Bikash Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration.

The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Bikash Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for avilment.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force."

7. To approve re-appointment of Shri Madhusudan Lohia (DIN: 00063278) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.10.2021 and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri Madhusudan Lohia (DIN: 00063278) as Whole-time Director of the Company for a further period of three years, effective 1st day of October, 2021 and payment of the following remuneration to him for the said period on the terms and conditions as are set out in the agreement to be entered into between the Company and Shri Madhusudan Lohia, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Madhusudan Lohia:

Salary : Rs. 13,84,500/- per month (consolidated) for the period from 01.10.2021 to 31.03.2022 and in the scale with effect from 01.04.2022 and ending on 30.09.2024 Rs. 15,22,950-1,52,290-1,67,520-18,42,760 with the increment falling due on 1st April 2023 and 1st April 2024.

Perquisites: Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees (for self only).

The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Madhusudan Lohia, shall not exceed Rs.1,00,000/- per financial year.

The perquisites amounting to Rs 1,00,000/- (Rs. One Lac only) as per the current service agreement shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of avilment of the said perquisites.

Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund and gratuity as provided by the Company shall be as per policy of the company.

Additional Benefits: The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the avilment of medical treatment and other incidental expenses) on actual basis, for self, spouse and children to Shri Madhusudan Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration.

The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Madhusudan Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for avilment.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force."

8. To approve re-appointment of Shri Rup Chand Lohia (DIN: 00063290) as Executive Chairman for a period of three years and payment of his remuneration with effect from 01.01.2022 and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri Rup Chand Lohia (DIN: 00063290) as Executive Chairman of the Company for a further period of three years, effective 1st day of January, 2022 and payment of the following remuneration to him for the said period on the terms and conditions as are set out in the agreement to be entered into between the Company and Shri Rup Chand Lohia, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Rup Chand Lohia:

Salary: Rs. 8,72,300/- per month (consolidated) for the period from 01.01.2022 to 31.03.2022 and in the scale with effect from 01.04.2022 and ending on 31.12.2024 Rs. 9,59,530-95,950-1,05,550-11,61,030 with the increment falling due on 1st April 2023 and 1st April 2024.

Perquisites: Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees (for self only).

The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Rup Chand Lohia, shall not exceed Rs.1,00,000/- per financial year.

The perquisites amounting to Rs 1,00,000/- (Rs. One Lac only) as per the current service agreement shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of avilment of the said perquisites.

Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund and gratuity as provided by the Company shall be as per policy of the company.

Additional Benefits: The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the avilment of medical treatment and other incidental expenses) on actual basis, for self and spouse to Shri Rup Chand Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration.

The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Rup Chand Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for availment.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force.”

9. To approve re-appointment of Shri Nripen Kumar Dugar (DIN: 00127790) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.01.2022 and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri Nripen Kumar Dugar (DIN: 00127790) as Whole-time Director of the Company for a further period of three years, effective 1st day of January, 2022 and payment of the following remuneration to him for the said period on the terms and conditions as are set out in the agreement to be entered into between the Company and Shri Nripen Kumar Dugar, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Nripen Kumar Dugar:

Salary: Rs. 4,86,800/- per month (consolidated) for the period from 01.01.2022 to 31.03.2022 and in the scale with effect from 01.04.2022 and ending on 31.12.2024 Rs. 5,35,480-53,550-58,900-6,47,930 with the increment falling due on 1st April 2023 and 1st April 2024.

Other benefits: Company’s contribution to provident fund and gratuity and entitlement of leave and special incentive, if any, payable in lumpsum per annum for any financial year in addition to the existing remuneration, will be applicable as per the rules of the Company.

Perquisites: Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company’s accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants’ salaries, society charges and property tax, club fees, medical reimbursement, medical/accidental benefit insurance (for self only).

The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Mr. Nripen Kumar Dugar, shall not exceed Rs.1,00,000/- per financial year.

Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company’s contribution to provident fund and gratuity as provided by the Company shall be as per policy of the company.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force.”

10. To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2022 and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Rajendra Singh Bhati & Co., Cost Accountants, appointed by the Board of Directors to conduct the audit of the cost records relating to the applicable products of the Company for the financial year ending on 31st March, 2022, be paid a remuneration of Rs. 50,000/- plus applicable tax(es) and out of pocket expenses and the Board of Directors be and is hereby authorised to do all acts and take all steps as may be necessary to ensure due compliance to the enactments in this regard for the time being in force to give effect to this resolution.”

11. To approve the authority of the Board of Directors to create mortgage on the property(ies) of the Company and in this regard to consider and, if thought fit to pass, with or without modification(s) the following resolutions as **Special Resolutions**:

“**RESOLVED THAT** the consent of the shareholders be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’) in supersession of the earlier resolutions passed in the General Meetings in this regard and in terms of the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to create mortgage and/or charge on all the immovable and/or movable properties of the Company, wherever situate, both present and future and/or conferring power to enter upon and to take possession of assets and the whole of the undertaking by any lender or holder of security including the Financial Institutions, Non-Banking Financial Companies and/or Banks in order to secure all kinds of credit facilities sanctioned by them in the form of loan/financial assistance of whatever nature either at a time or from time to time for securing the borrowings by the Company not exceeding Rs. 1000 Crore (Rupees One Thousand Crore only) together with interest thereon payable by the Company in terms of the loan agreement/documents executed between the Company and the Lender(s) as above containing such specific terms and conditions in respect of enforcement of the security as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise documents for creation of mortgage and/or charge and to do all such acts, deeds, matters and things and to execute all such documents as may be required for giving effect to the resolution.”

12. To approve the authority of the Board of Directors to borrow money on behalf of the Company and in this regard to consider and, if thought fit to pass, with or without modification(s) the following resolution as **Special Resolution**:

“**RESOLVED THAT** the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’) in supersession of the earlier resolutions passed in the General Meetings in this regard and in terms of the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company as it may deem proper notwithstanding that the moneys to be so borrowed together with moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves provided that the total amount of the moneys to be so borrowed by the Board together with moneys already borrowed shall not exceed Rs. 1000 Crore (Rupees One Thousand Crore only) outstanding at any one time and that for the implementation of this resolution the Board may act through any member thereof or any other person duly authorised by the Board in that behalf.”

13. To approve the authority of the Board of Directors for giving any guarantee or provide any security in favour of the lenders in connection with any loan taken by group company and in this regard to consider and, if thought fit to pass, with or without modification(s) the following resolutions as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the shareholder be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to give any guarantee or provide any security in connection with any loan taken by Kasturi Bai Gopi Babu Cold Storage Private Limited which is a group/associate Company, (in which any director is deemed to be interested) upto an aggregate sum of Rs.10.00 Crore (Rupees Ten Crore Only) in their absolute discretion as may be deemed beneficial and in the best interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.”

14. To approve give authority to the Board of Directors for making donation to charitable and other funds not directly related to the business of the Company and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, authority be and is hereby given to the Board of Directors of the Company to contribute to bonafide and charitable funds (including corpus) upto the limit of Rs.10,00,00,000/- (Rupees Ten Crore only) during the financial year 2021-2022 notwithstanding that such amount in the financial year may exceed five percent of the average net profits for the three preceding financial years of the Company.”

By order of the Board
For Merino Industries Limited

Bala Ji
Company Secretary
Membership No: F9919

Place: New Delhi
Date: 03.09.2021

Regd. Office:
MERINO INDUSTRIES LIMITED
CIN: U51909WB1965PLC026556

5, Alexandra Court,
60/1, Chowringhee Road,
Kolkata - 700020
Phone: 033 2290-1214
Fax: 2287-0314
E-mail: balaji@merinoindia.com
Website: www.merinoindia.com

NOTES:

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and Circular no. 02/2021 dated January 13, 2021 (collectively “MCA Circulars”), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, the 56th AGM of the Company is being convened and conducted through VC.
2. The Company has enabled the Members to participate at the 56th AGM through VC facility. The instructions for participation by Members are given in the subsequent pages. Participation at the AGM through VC shall be allowed on a first-come-first-served basis. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, physical attendance of the Members at the AGM venue is not required. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM.
3. Those Shareholders having their shares in physical mode and whose email IDs are not registered, are requested to register their email ID with Messrs. C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, the Registrar and Share Transfer Agent (R&STA) of the Company at rta@cbmsl.com, by providing their Name as registered with the R&STA, Address, email ID, PAN, DPID/Client ID or Folio Number and Number of shares held by them. The shareholders having their shares in DEMAT mode are requested to update their email ids with their DP.
4. Central Depository Services (India) Limited (“CDSL”) will be providing facility for voting through remote e-Voting, for participation in the 56th AGM through VC/OAVM Facility and e-Voting during the 56th AGM.
5. Members may join the 56th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11-00 a.m. IST i.e. 30 minutes before the time scheduled to start the 56th AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 56th AGM.
6. Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 56th AGM without any restriction on account of first-come- first-served principle.
7. The attendance of the Members attending the 56th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 concerning the items of special business as per the agenda items to be transacted at this Annual General Meeting is annexed hereto.
9. The notice convening this Annual General Meeting circulated to the members of the Company is made available on the Company’s website at www.merinoindia.com. All documents referred to in the Notice calling the AGM and the Explanatory Statement are also available on the website of the Company for inspection by the Members.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 30th September, 2021. Members seeking to inspect such documents can send an email to balaji@merinoindia.com.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.
12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM together with annual report has been uploaded on the website of the Company at www.merinoindia.com. The Notice of AGM together with annual report is also available on the website of CDSL (agency for providing the Remote Voting facility) i.e. www.evotingindia.com.

13. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020.
14. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive).
15. Members are requested to make all correspondences in connection with shares held by them by addressing letters quoting their folio numbers directly to Messrs. C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, the Registrar and Share Transfer Agent of the Company.
16. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic share accounts, or to the Registrar and Share Transfer Agent of the Company in respect of their physical share folios quoting their Folio Number(s) with a self-attested copy of address proof, i.e. Voter Identity Card, Aadhaar Card, Electric / Telephone (BSNL) Bill or Driving License or Passport. Members are also requested to kindly inform their Bank Account details to Messrs. C B Management Services (P) Limited, the Registrar and Share Transfer Agent of the Company.
17. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
19. Members holding shares in dematerialized mode are requested to intimate the changes pertaining to their bank account details, NECS mandates, email addresses, nominations, change of addresses, change of names etc. if any, to their Depository Participant (DP) only before 2nd September, 2021. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
20. Members are requested to intimate beforehand to the Company their queries, if any, regarding the accounts/notice at least ten days before the meeting to enable the management to keep the information required readily available at the meeting.
21. The Equity Shares of the Company are in the depository set up by the National Securities Depository Limited and Central Depository Services (India) Limited. The shares of the Company are in the dematerialization list with ISIN No. INE662B01017.
22. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Rules framed thereunder the dividend for the year 2013-2014, which remained unpaid or unclaimed for a period of 7 years, transferred to the Investor Education and Protection Fund established by the Central Government. Any unpaid or unclaimed dividend for the year 2014-2015 onwards will be deposited with the Investor Education and Protection Fund established by the Central Government as per the table given hereunder:

Financial Year	Date of declaration of Dividend	Due date of transfer to Unpaid Dividend Account	Due date of lodging claim with the Company	Due date for transfer to Investor Education & Protection Fund
2014-2015	08.08.2014	15.09.2014	14.08.2021	14.09.2021
2015-2016	07.08.2015	14.09.2015	13.08.2022	13.09.2022
2016-2017	27.08.2016	04.10.2016	03.09.2023	03.10.2023
2017-2018	25.09.2017	02.11.2017	01.10.2024	01.11.2024
2018-2019	14.09.2018	22.10.2018	21.09.2025	21.10.2025
2019-2020	23.09.2019	30.10.2019	29.09.2026	29.10.2026
	23.03.2020	29.04.2020	28.03.2027	28.04.2027

Details of the unpaid/unclaimed dividend are also uploaded on the website of the Company at www.merinoindia.com. Members who have not encashed Dividend 2013 declared by the Company, are advised to write to the Company immediately along with relevant Folio No. or DP ID and Client ID, duly discharged, or to the Company's Registrar and Share Transfer Agent to facilitate payment of the dividend.

23. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend does not exceed Rs.5000/-. In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address for updation at balaji@merinoindia.com
24. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants.

25. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means (“Electronic Bank Mandate”), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company’s email address balaji@merinoindia.com.
- a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received :
 - i) Name and Branch of Bank and Bank Account type;
 - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - iii) 11 digit IFSC Code;
 - b. self attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
 - c. self attested scanned copy of the PAN Card; and
 - d. self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

26. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers’ cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
27. The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17 / 2011 and 18 / 2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to the shareholders electronically as a part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, the Notice convening the General Meeting will be sent to the e-mail addresses as provided by the shareholders, recorded with their depositories.

CDSL E-VOTING SYSTEM – FOR E-VOTING AND JOINING VIRTUAL MEETINGS.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.merinoindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry’s **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- A. The voting period begins on Monday, 27th September, 2021, at 9:00 a.m. and ends on Wednesday, 29th September, 2021, at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- B. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- C. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- D. Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin</p> <p>The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

E. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- F. After entering these details appropriately, click on “SUBMIT” tab.
- G. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- H. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- I. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- J. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- K. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- L. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- M. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- N. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- O. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

P. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; balaji@merinoindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at balaji@merinoindia.com (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at balaji@merinoindia.com (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

11. SINCE SOME BROWSERS ARE NOT OPTIMISED, SHAREHOLDERS ARE REQUESTED TO DOWNLOAD CISCO WEBEX MEETINGS APP FOR BEST RESULTS IN VIEWING THE WEBINAR. IT IS AVAILABLE IN GOOGLE PLAY STORE

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

a. The e-voting period commences on Monday, 27th September, 2021, at 9:00 a.m. and ends on Wednesday, 29th September, 2021, at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically.

b. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of 23rd September, 2021.

c. Mr. Mukul Tyagi, Practicing Company Secretary (Membership No. F9973) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

d. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the Meeting by e voting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, forthwith to the Company Secretary of the Company.

e. The Results shall be declared within 48 hours of conclusion of the ANNUAL GENERAL MEETING of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.merinoindia.com and on the website of CDSL immediately after the result is declared by the Company Secretary.

f. The Chairman shall at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting with the assistance of the Scrutinizer by use of e-voting platform of CDSL for all those members who have not cast their votes earlier either by remote e-voting.

g. The Scrutinizer's decision on the validity of the Ballot Paper / Polling Paper form will be final.

By order of the Board
For Merino Industries Limited

Bala Ji
Company Secretary
Membership No: F9919

Place: New Delhi
Date: 03.09.2021

Regd. Office:
MERINO INDUSTRIES LIMITED
CIN: U51909WB1965PLC026556
5, Alexandra Court,
60/1, Chowringhee Road,
Kolkata - 700020
Phone: 033 2290-1214
Fax: 2287-0314
E-mail: balaji@merinoindia.com
Website: www.merinoindia.com

ANNEXURE TO THE NOTICE

Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Items of Special Business set out in the Notice convening the 56th Annual General Meeting of the Company to be held on September 30th, 2021.

Item Nos. 5 to 9 of the Notice:

GENERAL INFORMATION: As required under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) in respect of revision of remuneration of Shri Prakash Lohia, Managing Director and re-appointment and payment of remuneration of Shri Bikash Lohia, Shri Madhusudan Lohia, Whole-time Directors and Shri Rup Chand Lohia, Executive Chairman and Shri Nripen Kumar Dugar, Whole-time Director and waiver of excess managerial remuneration paid to Shri Rup Chand Lohia, Executive Chairman, Shri Prakash Lohia, Managing Director, Shri Prasan Lohia, Miss Ruchira Lohia, Shri Bikash Lohia, Shri Manoj Lohia, Shri Deepak Lohia, Shri Madhusudan Lohia and Shri Anurag Lohia, Whole Time Directors.

Nature of Industry: The Company operates in diversified fields of industry. It manufactures decorative laminates under the brand name "MERINO". It also manufactures formaldehyde and space saving furniture with wide ranging patterns and a host of colours and shades under brand name 'MY SPACE'. The Company has diversified into Agro business and is manufacturing potato flakes under the brand name 'VEGIT'.

Date or expected date of commencement of commercial production: The Company is an existing one and is in operation.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

Financial performance based on given indicators: The performance of the Company (i.e. Turnover, Production, Profit before Tax and Earnings in Foreign Exchange) for last five years is given hereunder:

Financial year	Net Turnover (Rs. in Crore)	Production of decorative laminates (No. of sheets)	Profit before Tax (Rs. in Crore)	Earnings in Foreign Exchange (F.O.B value of Exports) (Rs. in Crore)
2015-2016	662.34	6747779	87.41	151.03
2016-2017	727.31	7023976	99.62	158.44
2017-2018	812.01	8103154	94.84	162.17
2018-2019	977.97	9456358	117.09	206.01 (CIF Value)
2019-2020*	1473.72	9329703	159.16	230.97 (CIF Value)
2020-2021**	1296.88	13468318	176.92	380.12 (CIF Value)

*Figures have been revised due to restated accounts pursuant to NCLT Order, Kolkata Bench

** Figures of merged accounts pursuant to NCLT Order, Kolkata Bench

Foreign Investments and Collaborations, if any: None

ITEM NO. 5 REVISION OF REMUNERATION OF SHRI PRAKASH LOHIA, MANAGING DIRECTOR

Shri Prakash Lohia's present remuneration was approved by the members at the Extra-Ordinary General Meeting held on 28th February, 2020. The Board of Directors decided to rationalize the remuneration received by Shri Prakash Lohia, Managing Director, considering the enhanced responsibility being shouldered by him towards the upcoming green field project at Halol, Gujarat in addition to his existing responsibilities. The remuneration structure of Shri Prakash Lohia requires restructuring and accordingly the Board of Directors on recommendation of the Nomination and Remuneration Committee decided to recommend to the shareholders to approve the revision in remuneration of the Managing Director for the remaining period of his tenure (i.e. upto 28th February, 2023) effective 1st October, 2021. Accordingly, consent of the members is being sought for passing a Special Resolution as set out at Item No. 5 of the Notice.

INFORMATION ABOUT THE MANAGING DIRECTOR

- Background details:** Shri Prakash Lohia, B. Tech. (Chem.) – IIT Delhi, M.E.P (IIM - Ahmedabad), is aged about 66 years. Shri Lohia has been a Director of the Company since 1976 and had held the post of a Managing Director of the Company from 1995 with subsequent re-appointments to the said post and his present term will expire on 28th February, 2023.
- Past Remuneration:** The past remuneration of Shri Prakash Lohia as Managing Director of the Company was by way of Salary Rs. 11,94,000/- per month (consolidated) for the month of March, 2020 and in the Scale with effect from 01.04.2020 and ending on 28.02.2023 Rs.13,13,500-1,31,500-1,44,500-15,89,500 with the increment falling due on 1st April 2021 and 1st April 2022 and Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and medical facility for allowance/reimbursement on actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses of Shri Lohia and his mother and spouse for their treatment in India and abroad.
- Recognition or Awards:** Not Material
- Job Profile and his suitability:** Management of the business and affairs of the Company as a whole. Shri Lohia has about 42 years of work experience and he has contributed immensely towards the growth and success of the Company.
- Remuneration proposed:** Rs. 16,68,000/- per month effective from 01.10.2021 onwards and in the Scale with effect from 01.10.2021 and ending on 28.02.2023 Rs.16,68,000-1,66,800-18,34,800 with the increment falling due on 1st April 2022 and Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and medical facility for allowance/reimbursement on

actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the avilment of medical treatment and other incidental expenses of Shri Lohia and his mother and spouse for their treatment in India and abroad. (as mentioned in Item No.5 of the notice).

6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the Managing Director would not be appropriate. However, at a meeting of the Nomination and Remuneration Committee held on 03rd September, 2021, the Committee recommended the revised remuneration of Shri Lohia as a Managing Director based on his present job responsibilities and size of the Company.

7) **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Except in the proposed capacity of Managing Director and Key Managerial Personnel (KMP) and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his son, Shri Madhusudan Lohia, Whole-time Director and one of the KMP. Other KMP i.e. Shri Rup Chand Lohia, Executive Chairman, Shri Prasan Lohia, Shri Bikash Lohia, Miss Ruchira Lohia, Shri Manoj Lohia, Shri Deepak Lohia, Shri Anurag Lohia, Whole-time Directors, are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any manner.

DISCLOSURES

Information of the remuneration package to the shareholders of the Company: This information has been detailed in the notice and explanatory statement attached to the respective resolution.

Disclosures mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report: Not applicable

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the revised remuneration to Shri Prakash Lohia, Managing Director for the remaining period of his tenure with effect from 1st October, 2021 and proposed remuneration be approved by the shareholders in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). The terms of remuneration specified in the said Special Resolution (as specified in Item No. 5 of the Notice) are now placed before the shareholders at the ensuing Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Lohia pursuant to Section 190 of the Companies Act, 2013. The draft supplemental agreement entered into by the Company with Shri Lohia and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

Shri Prakash Lohia, Managing Director and Key Managerial Personnel (KMP) and his son Shri Madhusudan Lohia, Whole-time Director and KMP and their relatives, to the extent of their shareholding interest, if any, in the Company, are directly concerned or interested, financially or otherwise in the resolution. Shri Rup Chand Lohia, Executive Chairman, Shri Prasan Lohia, Shri Bikash Lohia, Miss Ruchira Lohia, Shri Manoj Lohia, Shri Deepak Lohia, Shri Anurag Lohia, Whole-time Directors and KMPs and their relatives, to the extent of their shareholding interest, if any, in the Company, are indirectly concerned or interested, financially or otherwise in the resolution. Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, including their relatives, are not in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 5 of the Notice.

The above item of special business to be transacted at this meeting of the Company does not relate to or affect any other company.

ITEM NO. 6 RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI BIKASH LOHIA, WHOLE-TIME DIRECTOR

Shri Bikash Lohia was a Director of amalgamated company Merino Panel Products Limited since 1994 and thereafter was appointed as a Whole-time Director of the Company in the year 2006 with subsequent re-appointment to the said post. Considering his work experience of around 29 years in production of Decorative Laminates, Plywood and Import of Design papers, raw materials, chemicals etc. and his contributions towards the development of the Company and his expertise in managing information & technology issues of the Company, the Board recommends that it would be in the interest of the Company to appoint Shri Bikash Lohia as a Whole-time Director of the Company for a further period of three years with effect from 1st October, 2021. To effect his appointment, a special resolution is required to be passed by the shareholders of the Company at this meeting and accordingly the resolution appointing Shri Bikash Lohia as a Whole-time Director is placed before the shareholders for approval.

INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

- 1) Background details: Shri Bikash Lohia, aged about 51 years, privately educated and attended M.E.P of the Indian Institute of Management, Ahmedabad, has been associated with the amalgamated company Merino Panel Products Limited as Director since 1994 and as a Whole-time Director of the Company w.e.f. 1st October, 2006. His present term expires on 30th September, 2021.
- 2) Past Remuneration: The past remuneration of Shri Bikash Lohia as Whole-time Director of the Company was by way of Salary in the Scale with effect from 01.04.2020 and ending on 30.09.2021 Rs. 11,50,000-1,15,000-12,65,000 with the increment falling due on 1st April 2021 and Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and medical facility for allowance/reimbursement on actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses of Shri Lohia, his mother, spouse and children for their treatment in India and abroad.
- 3) Recognition or Awards: Not Material
- 4) Job Profile and his suitability: Overseeing factory operations and overall management and addressing Information Technology related issues. Shri Lohia has about 29 years of work experience in production of Company's products and his contributions towards the development of the Company are significant.
- 5) Remuneration proposed: Salary Rs. 12,65,000/- per month (consolidated) for the period from 01.10.2021 to 31.03.2022 and the Scale with effect from 01.04.2022 and ending on 30.09.2024 Rs. 13,91,500-1,39,150-1,53,060-16,83,710 with the increment falling due on 1st April 2023 and 1st April 2024 and Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and medical facility for allowance/reimbursement on actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses of Shri Lohia, his mother, spouse and children for their treatment in India and abroad. (as mentioned in Item No. 6 of the notice).
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the Whole-time Director would not be appropriate. However, at a meeting of the Nomination and Remuneration Committee held on 03rd September, 2021, the Committee recommended fixing the remuneration of Shri Lohia as a Whole-time Director based on his present job responsibilities and size of the Company.
- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: Except in the proposed capacity of Whole-time Director and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his son, Shri Anurag Lohia, Whole-time Director and one of the KMP and with his brother Shri Deepak Lohia, Whole-time Director and one of the KMP. Other KMP i.e. Shri Rup Chand Lohia, Executive Chairman, Shri Prakash Lohia, Managing Director, Shri Prasan Lohia, Miss Ruchira Lohia, Shri Manoj Lohia and Shri Madhusudan Lohia, Whole-time Directors are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any way.

DISCLOSURES

Information of the remuneration package to the shareholders of the Company: This information has been detailed in the notice and explanatory statement attached to the respective resolution.

Disclosures mentioned in the Board of Directors' report under the heading 'Corporate Governance', if any, attached to the annual report: Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Bikash Lohia as a Whole-time Director with effect from 1st October, 2021 for a period of three years and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Companies Act, 2013 stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the provisions of companies act 2013, requires approval of the shareholders by way of Special Resolution (as specified in Item No. 6). The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Lohia as Whole-time Director are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Lohia pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Lohia and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

Shri Bikash Lohia, Whole-time Director and Key Managerial Personnel (KMP) and his son Shri Anurag Lohia, Whole-time Director and KMP and his brother Shri Deepak Lohia, Whole-time Director and KMP and their relatives, to the extent of their shareholding interest, if any, in the Company, are directly concerned or interested, financially or otherwise in the resolution. Shri Rup Chand Lohia, Executive Chairman, Shri Prakash Lohia, Managing Director, Miss Ruchira Lohia, Shri Prasan Lohia, Shri Manoj Lohia and Shri Madhusudan Lohia, Whole-time Directors and KMPs and their relatives, to the extent of their shareholding interest, if any, in the Company, are indirectly concerned or interested, financially or otherwise in the resolution. Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal

Kumar Sarkar, Independent Directors, including their relatives, are not in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 6 of the Notice.

The above item of special business to be transacted at this meeting of the company does not relate to or affect any other company.

ITEM NO. 7 RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI MADHUSUDAN LOHIA, WHOLE-TIME DIRECTOR

Shri Madhusudan Lohia has been associated with a group company as Whole-time Director from 1st June, 2005 before being appointed as Whole-time Director of the Company w.e.f. 1st October, 2006. Considering his work experience of around 19 years in manufacture and marketing of Furniture, Furniture Solutions, Decorative Laminates etc., the Board recommends that it would be in the interest of the Company to appoint Shri Madhusudan Lohia as Whole-time Director of the Company for a period of three years with effect from 1st October, 2021. To effect his appointment, a special resolution is required to be passed by the shareholders of the Company at this meeting and accordingly the resolution appointing Shri Madhusudan Lohia as Whole-time Director is placed before the shareholders for approval.

INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

- 1) Background details: Shri Madhusudan Lohia, is a Graduate in Business Process Management, (Operations and International Business) from Indiana University, holds Masters Degree in Manufacturing Management and is an MBA from Pennsylvania State University, USA. He is aged about 40 years and is associated with the Company as a Whole-time Director from 1st October, 2006. His present term expires on 30th September, 2021.
- 2) Past Remuneration: The past remuneration of Shri Madhusudan Lohia as Whole-time Director of the Company was by way of Salary in the Scale with effect from 01.04.2019 and ending on 30.09.2021 Rs. 9,91,000-99,000-1,09,000-11,99,000 with the increment falling due on 1st April 2020 and 1st April 2021 and Perquisites subject to a maximum of Rs.1,00,000/- per financial year and medical facility for allowance/reimbursement on actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses of Shri Lohia, his spouse and children for their treatment in India and abroad.
- 3) Recognition or Awards: Not Material
- 4) Job Profile and his suitability: Overseeing sales and marketing of the Company's furniture and panel products division and new product introduction. Shri Lohia has about 19 years of work experience in manufacture and marketing of Furniture, Furniture Solutions, Decorative Laminates etc. and is well conversant with the business requirements and complexities.
- 5) Remuneration proposed: Salary Rs. 13,84,500/- per month (consolidated) for the period from 01.10.2021 to 31.03.2022 and in the scale with effect from 01.04.2022 and ending on 30.09.2024 Rs. 15,22,950-1,52,290-1,67,520-18,42,760 with the increment falling due on 1st April 2023 and 1st April 2024 and Perquisites subject to a maximum of Rs.1,00,000/- per financial year and medical facility for allowance/reimbursement on actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses of Shri Lohia, his spouse and children for their treatment in India and abroad (as mentioned in Item No. 7 of the notice).
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the Whole-time Director would not be appropriate. However, at a meeting of the Nomination and Remuneration Committee held on 02nd September, 2021, the Committee recommended fixing the remuneration of Shri Lohia as a Whole-time Director based on his present job responsibilities and size of the Company.
- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: Except in the proposed capacity of Whole-time Director and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his father Shri Prakash Lohia, Managing Director and Key Managerial Personnel (KMP). Other KMP i.e. Shri Rup Chand Lohia, Executive Chairman, Shri Prasan Lohia, Miss Ruchira Lohia, Shri Bikash Lohia, Shri Manoj Lohia, Shri Deepak Lohia, Shri Anurag Lohia, Whole-time Directors are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any way.

DISCLOSURES

Information of the remuneration package to the shareholders of the Company: This information has been detailed in the notice and explanatory statement attached to the respective resolution.

Disclosures mentioned in the Board of Directors' report under the heading 'Corporate Governance', if any, attached to the annual report: Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Madhusudan Lohia as Whole-time Director with effect from 1st October, 2021 for a period of three years and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Companies Act, 2013 stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the provisions of companies act, 2013 requires approval of the shareholders by way of Special Resolution (as specified in Item No. 7). The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Lohia as Whole-time Director are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Lohia pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Lohia and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

Shri Madhusudan Lohia, Whole-time Director and Key Managerial Personnel (KMP) and his father Shri Prakash Lohia, Managing Director and KMP and their relatives, to the extent of their shareholding interest, if any, in the Company, are directly concerned or interested, financially or otherwise in the resolution. Shri Rup Chand Lohia, Executive Chairman, Miss Ruchira Lohia, Shri Prasan Lohia, Shri Bikash Lohia, Shri Manoj Lohia, Shri Deepak Lohia, Shri Anurag Lohia, Whole-time Directors and KMPs and their relatives, to the extent of their shareholding interest, if any, in the Company, are indirectly concerned or interested, financially or otherwise in the resolution. Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, including their relatives, are not in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 7 of the Notice.

The above item of special business to be transacted at this meeting of the company does not relate to or affect any other company.

ITEM NO. 8: RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI RUP CHAND LOHIA AS EXECUTIVE CHAIRMAN

Shri Rup Chand Lohia had been Director (Technical) of the Company since 2002 and re-designated as Executive Vice-Chairman effective 1st April, 2010 and further re-designated as Executive Chairman effective 1st July, 2020. His present term expires on 31st December, 2021. Considering his vast experience in overall Business Administration and his valuable contribution towards the development and growth of the company, the Board recommends that it would be in the interest of the Company to re-appoint Shri Lohia as an Executive Chairman of the Company for further period of three years with effect from 1st January, 2022. To effect his appointment, a special resolution is required to be passed by the shareholders of the Company at this meeting and accordingly the resolution appointing Shri Rup Chand Lohia as an Executive Chairman is placed before the shareholders for approval.

INFORMATION ABOUT THE EXECUTIVE CHAIRMAN

- 1) Background details: Shri Rup Chand Lohia, B.M.E. (Jadavpur University), aged about 81 years, has been associated with the Company as Director since its incorporation and was also a member of the Board of Directors of the Company up to 5th April, 1994 and was appointed as Director (Technical) with effect from 1st day of January, 2002 and re-designated as an Executive Vice-Chairman effective 1st April, 2010 and further re-designated as Executive Chairman effective 1st July, 2020 and his present term will expire on 31st December, 2021.
- 2) Past Remuneration: The past remuneration of Shri Rup Chand Lohia as Executive Chairman of the Company was by way of Salary in the Scale with effect from 01.04.2019 and ending on 31.12.2021 Rs.7,93,000-79,500-87,500-9,60,000 with the increment falling due on 1st April 2020 and 1st April 2021 and Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and medical facility for allowance/reimbursement on actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses of Shri Lohia and his spouse for their treatment in India and abroad.
- 3) Recognition or Awards: Not Material
- 4) Job Profile and his suitability: Supervise Technical Affairs and Implementation of New Projects and oversee the operations of the Company's plant at Hosur in the State of Tamil Nadu. Shri Lohia has about 60 years of work experience and has contributed immensely towards the growth and success of the Company.
- 5) Remuneration proposed: Salary Rs. 8,72,300/- per month (consolidated) for the period from 01.01.2022 to 31.03.2022 and in the scale with effect from 01.04.2022 and ending on 31.12.2024 Rs. 9,59,530-95,950-1,05,550-11,61,030 with the increment falling due on 1st April 2023 and 1st April 2024 and Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and medical facility for allowance/reimbursement on actual basis, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the service agreement, in addition to his existing remuneration. Such medical facility will include the cost of medical expenses, mediclaim premium and travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses of Shri Lohia and his spouse for their treatment in India and abroad. (as mentioned in Item No. 8 of the notice).
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the Executive Chairman would not be appropriate. However, at a meeting of the Nomination and Remuneration Committee held on 03rd September, 2021, the Committee recommended fixing the remuneration of Shri Rup Chand Lohia as an Executive Chairman based on his present job responsibilities and size of the Company.
- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: Except in the proposed capacity of Executive Chairman and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his sons, Shri Prasan Lohia and Shri Manoj Lohia, Whole-time Directors and Key Managerial Personnel (KMP). Other KMP i.e. Shri Prakash Lohia, Managing Director, Shri Bikash Lohia, Miss Ruchira Lohia, Shri Deepak Lohia, Shri Madhusudan Lohia and Shri Anurag Lohia, Whole-time Directors are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any manner.

DISCLOSURES

Information of the remuneration package to the shareholders of the Company: This information has been detailed in the notice and explanatory statement attached to the respective resolution.

Disclosures mentioned in the Board of Directors' report under the heading 'Corporate Governance', if any, attached to the annual report: Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Rup Chand Lohia as an Executive Chairman with effect from 1st January, 2022 for a period of three years and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Companies Act, 2013 stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel who has since attained the age of 80 years and to fix their remuneration. In accordance with the provisions of Companies Act, 2013 his appointment requires approval of the shareholders by way of Special Resolution (as specified in Item No. 8). The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Lohia as Executive Chairman are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Lohia pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Lohia and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

Shri Rup Chand Lohia, Executive Chairman and Key Managerial Personnel (KMP) and his sons Shri Prasan Lohia and Shri Manoj Lohia, Whole-time Director and KMP and their relatives, to the extent of their shareholding interest, if any, in the Company, are directly concerned or interested, financially or otherwise in the resolution. Shri Prakash Lohia, Managing Director, Shri Bikash Lohia, Miss Ruchira Lohia, Shri Deepak Lohia, Shri Madhusudan Lohia and Shri Anurag Lohia, Whole-time Directors and KMPs and their relatives, to the extent of their shareholding interest, if any, in the Company, are indirectly concerned or interested, financially or otherwise in the resolution. Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, including their relatives, are not in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 8 of the Notice.

The above item of special business to be transacted at this meeting of the company does not relate to or affect any other company.

ITEM NO. 9 RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI NRIPEN KUMAR DUGAR, WHOLE-TIME DIRECTOR

Shri Nripen Kumar Dugar has been a Whole-time Director of the Company since 1987. Considering his vast experience in overall Business Administration and his valuable contribution towards the development of this Company, the Board recommends that it would be in the interest of the Company to re-appoint Shri Nripen Kumar Dugar as Whole-time Director of the Company for further period of three years with effect from 1st January, 2022. To effect his appointment, a special resolution is required to be passed by the shareholders of the Company at this meeting and accordingly the resolution appointing Shri Nripen Kumar Dugar as Whole-time Director is placed before the shareholders for approval.

INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

- 1) Background details: Shri Nripen Kumar Dugar, B.Com., aged about 59 years, has been associated with the Company as Director since 1986 and was appointed as Whole-time Director with effect from 1st day of January, 1987 with subsequent re-appointments to the said post and his present term expires on 31st December, 2021.
- 2) Past Remuneration: The past remuneration of Shri Nripen Kumar Dugar as Whole-time Director of the Company was by way of Salary in the Scale with effect from 01.04.2020 and ending on 31.12.2021 Rs. 4,86,800-48,700-5,35,500 with the increment falling due on 1st April 2020 and 1st April 2021, Housing Assistance Allowance Rs. 77,202/- per month payable at the end of each financial year for the entire year, Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and other benefits (i.e. Company's contribution to provident fund and gratuity and entitlement of leave, as applicable as per the rules of the Company).
- 3) Recognition or Awards: Not Material
- 4) Job Profile and his suitability: Overseeing sales and marketing of the Company's Decorative Laminates division, Branch co-ordination and Base Paper management. Shri Dugar has about 35 years of work experience in sale and marketing of Decorative Laminates etc. and is well conversant with the business requirements and complexities.
- 5) Remuneration proposed: Salary Rs. 4,86,800/- per month (consolidated) for the period from 01.01.2022 to 31.03.2022 and in the scale with effect from 01.04.2022 and ending on 31.12.2024 Rs. 5,35,480-53,550-58,900-6,47,930 with the increment falling due on 1st April 2023 and 1st April 2024, Perquisites subject to a maximum of Rs. 1,00,000/- per financial year and other benefits (i.e. Company's contribution to provident fund and gratuity and entitlement of leave, as applicable as per the rules of the Company) (as mentioned in Item No. 9 of the notice).
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the proposed appointee would not be appropriate. However, at a meeting of the Nomination and Remuneration Committee held on 03rd September, 2021 the Committee recommended fixing the remuneration of Shri Nripen Kumar Dugar on the same terms as per his immediately preceding period of office with the Company.
- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: Except in the proposed capacity of Whole-time Non-Promoter Director and also as a shareholder of the Company, Shri Dugar enjoys no other pecuniary relationship with the Company.

DISCLOSURES

Information of the remuneration package to the shareholders of the Company: This information has been detailed in the notice and explanatory statement attached to the respective resolution.

Disclosures mentioned in the Board of Directors' report under the heading 'Corporate Governance', if any, attached to the annual report: Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Nripen Kumar Dugar as Whole-time Director with effect from 1st January, 2022 for a period of three years and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Companies Act, 2013 stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the applicable provisions, his appointment requires approval of the shareholders by way of Special Resolution (as specified in Item No. 9). The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Dugar as Whole-time Director are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Dugar pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Dugar and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

Save and except Shri Nripen Kumar Dugar, Whole-time Director and Key Managerial Personnel (KMP) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / KMP of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 9 of the Notice.

The above item of special business to be transacted at this meeting of the company does not relate to or affect any other company.

RELATING TO ITEM NO. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Rajendra Singh Bhati & Co. Cost Accountants to conduct the audit of the cost records of the Company relating to the applicable products for the financial year ending 31st March, 2022 at a remuneration of Rs. 50,000/- plus out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be fixed by the shareholders of the Company. Accordingly, their consent is sought for passing an Ordinary Resolution as set out in Item No. 10 of the Notice for fixation of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 10 of the Notice.

RELATING TO ITEM NO. 11

The Company, for its capital expenditure and working capital requirements, borrowed/will borrow by way of Rupee Term Loans, Corporate Loans, Foreign Currency Loans and/or Working Capital Limits and any other form of loan of whatever nature either at a time or from time to time from the Financial Institutions, Non-Banking Financial Companies, Lenders and/or Commercial Banks/ Nationalised Banks for amounts not exceeding Rs. 1,000 Crore (Rupees One Thousand Crores only). The said limit is required to be enhanced from Rs. 500 crores to Rs. 1,000 crores considering the expansion plans company has with new project at Halol in Gujarat. Section 180(1)(a) of the Companies Act, 2013, provides, inter-alia, that the Board of Directors of a company shall not, without the consent of members in a general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Therefore, it is necessary for the members to pass a resolution under this Section of the Act.

In view of the above, the resolutions set out in item No.11 of the Agenda is recommended to be passed as Special Resolutions.

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

RELATING TO ITEM NO. 12

Pursuant to the provisions of Clause (c) of sub-section (1) of Section 180 of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. At the Annual General Meeting of the Company held on 31st July, 2014 consent of the members had been obtained for the Directors to borrow up to a maximum amount of Rs. 500 crore (apart from temporary loans obtained from the Company's bankers in ordinary course of business). The expansion programmes of the Company is being continuously carried out in full swing and taking into account the further requirements of additional finance for the same, your Directors place before you the proposal to increase the maximum borrowing limit to Rs. 1,000 crores.

In view of the above, the resolution set out in item No.12 of the Agenda is recommended to be passed as a Special Resolution.

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

RELATING TO ITEM NO. 13

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of guarantee or provide any security in connection with any loan taken by Kasturi Bai Gopi Babu Cold Storage Private Limited which is a group/associate Company (in which any director is deemed to be interested) upto an aggregate sum of Rs.10.00 Crore (Rupees Ten Crore Only). Further pursuant to the provisions of Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

The members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the Kasturi Bai Gopi Babu Cold Storage Private Limited of any other entity in the Merino Group.

Hence, in order to enable the company to advance loan to Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

The Board of Directors recommend the Special Resolution for approval by the members.

The Managing / Whole-time Directors / Key Managerial Personnel are interested or concerned in the aforesaid Special Resolutions as specified in Item No. 14 of the Notice in relation to their shareholding / directorship in such group / associate company. However, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, including their relatives, are not in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 14 of the Notice.

RELATING TO ITEM NO. 14

The Company is authorized to contribute to bonafide and charitable funds in terms of Section 181 of the Companies Act, 2013 (the Act).

As per the Act, the Board can contribute to bonafide charitable and other funds and prior permission of shareholders in a general meeting shall be required only if the aggregate contributions in any financial year exceed five percent of the Company's average net profits for the three preceding financial years.

Subject to the approval of the shareholders, the Board has plans to donate upto a maximum limit of Rs.10,00,00,000/- (Rupees Ten crores only) during the Financial Year 2021-22, which exceeds the above limit. The donation would be channelized mainly towards contributions (including corpus) to group managed / other Trust(s) and also to such other Trust(s) as the Board would deem fit. The primary objectives of donations would include eradicating hunger, poverty, promoting preventive health care, sanitation, education, gender equality, empowerment of women, ensuring environmental sustainability, protection of national heritage, undertaking training to promote rural sports, establish, maintain and grant aid to hospitals etc., prime minister's national relief fund or PM CARES Fund and also various other public charitable activities.

As such, the Board recommends passing the resolution.

All the Whole-time Promoter Directors, who also fall under the category of KMP are directly or indirectly interested or concerned, financially or otherwise in the resolution, as substantial donations will be made to the Trust(s) in which they are directly or indirectly concerned and interested to the extent the contribution made to these trusts.

However, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Dr. Gautam Bhattacharjee, Shri Sisir Kumar Chakrabarti, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, including their relatives, are not in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 15 of the Notice.

The above item of special business to be transacted at this meeting of the company does not relate to or affect any other company.

By order of the Board
For Merino Industries Limited

Bala Ji
Company Secretary
Membership No: F9919

Place: New Delhi
Date: 03.09.2021

Route Map and Prominent Landmark of AGM Venue and Attendance Slip.

In view of the extraordinary circumstances due to COVID-19 pandemic prevailing in the country, MCA vide its Circular No. 14/2020 had clarified that social distancing is a pre-requisite in the current scenario and in reference to clarifications/ Guidance on applicability of Secretarial Standards on General Meetings (SS-2) dated April 15, 2020, the Company will hold the AGM through VC/OAVM, without the physical presence of the Members at the Registered Office of the Company at 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700020. In view of the directions from MCA, the Meeting is being convened through VC/OAVM and physical presence of the Members are not required at the venue and that the proceedings of the AGM conducted shall be deemed to be made at this venue.



Merino Industries Limited

CIN: U51909WB1965PLC026556

Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020

Phone: 033-2290-1214, Fax: 91-33-2287-0314, E-mail: balaji@merinoindia.com

Website: www.merinoindia.com

Ballot Form

No.

Registered Folio No.	DP ID No.	Client ID No.	No. of shares held

Name and address of the sole/
First named shareholder

Joint Holder's Name (if any)

I/We hereby exercise my/our vote in respect of the Resolutions to be passed in the AGM for the businesses stated in the Notice of the Company dated 03rd September 2021 by sending my/our assent or dissent to the said resolutions by placing a tick (✓) mark in the appropriate box below:

Item No.	Description	No. of shares Held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Consideration and adoption the Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31 st March, 2021			
2	Declaration of dividend on equity shares for the financial year ended on 31 st March, 2021			
3	Appointment of a Director in place of Shri Prasan Lohia (DIN: 00061111), who retires by rotation and being eligible, offers himself for re-appointment			
4	Appointment of a Director in place of Miss Ruchira Lohia (DIN: 00127797), who retires by rotation and being eligible, offers herself for re-appointment			
5	Approval for revision of remuneration of Shri Prakash Lohia, Managing Director (DIN: 00063274) with effect from 01.10.2021			
6	Approval for re-appointment of Shri Bikash Lohia (DIN: 00154013) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.10.2021			
7	Approval for re-appointment of Shri Madhusudan Lohia (DIN: 00063278) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.10.2021			
8	Approval for re-appointment of Shri Rup Chand Lohia (DIN: 00063290) as Executive Chairman for a period of three years and payment of his remuneration with effect from 01.01.2022			

9	Approval for re-appointment of Shri Nripen Kumar Dugar (DIN: 00127790) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.01.2022			
10	Approval of the remuneration of the Cost Auditors for the financial year ending on 31 st March, 2022			
11	Approval of the authority of the Board of Directors to create mortgage on the property(ies) of the Company			
12	Approval of the authority of the Board of Directors to borrow money on behalf of the Company			
13	Approval of the authority of the Board of Directors for giving any guarantee or provide any security in connection with any loan taken by group company			
14	Approval for give authority to the Board of Directors for making donation to charitable and other funds not directly related to the business of the Company			

Place:

Date:

Signature of the Shareholder

Note:

- (1) Please read the instructions carefully before exercising your vote.
- (2) The remote e-voting particulars are set out below:

REMOTE E-VOTING PARTICULARS	
Commencement of remote e-voting	End of remote e-voting
27.09.2021 Monday 09.00 a.m.	29.09.2021 Wednesday 05.00 p.m.

EVSN (E-voting Sequence No.)	USER ID	PAN / SEQUENCE NO.
210906073		

Please read the instructions mentioned in the Notice dated 03rd September, 2021 before availing remote e-voting facilities.



Merino Industries Limited

CIN: U51909WB1965PLC026556

Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020

Phone: 033-2290-1214, Fax: 91-33-2287-0314, E-mail: balaji@merinoindia.com

Website: www.merinoindia.com

PROXY FORM

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

Name of the member(s):			
Registered Address:			
Master Folio No.		E-mail ID:	
*Client ID:		*DP ID:	

I / We being the member / members holding shares of MERINO INDUSTRIES LIMITED, hereby appoint:

- 1) Name:.....E-mail Id:
Address:.....Signature:.....
or failing him / her
- 2) Name:.....E-mail Id
Address:.....Signature:.....
or failing him / her
- 3) Name:.....E-mail Id
Address:.....Signature:.....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company being held on Thursday, the 30th day of September, 2021 at 11:30 a.m. at the Registered Office at 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Assent	Dissent
Ordinary Business			
1	Consideration and adoption the Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31 st March, 2021		
2	Declaration of dividend on equity shares for the financial year ended on 31 st March, 2021		
3	Appointment of a Director in place of Shri Prasan Lohia (DIN: 00061111), who retires by rotation and being eligible, offers himself for re-appointment		
4	Appointment of a Director in place of Miss Ruchira Lohia (DIN: 00127797), who retires by rotation and being eligible, offers herself for re-appointment		
Special Business			
5	Approval for revision of remuneration of Shri Prakash Lohia, Managing Director (DIN: 00063274) with effect from 01.10.2021		
6	Approval for re-appointment of Shri Bikash Lohia (DIN: 00154013) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.10.2021		
7	Approval for re-appointment of Shri Madhusudan Lohia (DIN:		

	00063278) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.10.2021		
8	Approval for re-appointment of Shri Rup Chand Lohia (DIN: 00063290) as Executive Chairman for a period of three years and payment of his remuneration with effect from 01.01.2022		
9	Approval for re-appointment of Shri Nripen Kumar Dugar (DIN: 00127790) as Whole-time Director for a period of three years and payment of his remuneration with effect from 01.01.2022		
10	Approval of the remuneration of the Cost Auditors for the financial year ending on 31 st March, 2022		
11	Approval of the authority of the Board of Directors to create mortgage on the property(ies) of the Company		
12	Approval of the authority of the Board of Directors to borrow money on behalf of the Company		
13	Approval of the authority of the Board of Directors for giving any guarantee or provide any security in connection with any loan taken by group company		
14	Approval for give authority to the Board of Directors for making donation to charitable and other funds not directly related to the business of the Company		
Signed thisday of September, 2021			Affix Revenue Stamp
_____	_____		
Signature of shareholder	Signature of proxy holder(s)		

* Applicable for investors holding shares in electronic form

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.