RIGHT MOMENT. RIGHT BUSINESS MODEL.

How Supertron intends to capitalise on a watershed moment for India's IT hardware sector with volume growth and value expansion

Supertron Electronics Private Limited | Annual Report 2019-20

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forwardlooking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.

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RIGHT MOMENT. RIGHT BUSINESS MODEL.

The impact of the pandemic represents a seminal moment for the global IT products industry.

A work-from-home preference complemented by a learnfrom-home approach has made digitalisation integral to human existence.

The result is a second wind for the IT products sector, placing a premium on its adaptability and responsiveness.

At Supertron Electronics Private Limited, we are the right place at the right time with the right complement of relationships to capitalise.

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THE WORLD OF SUPERTRON ELECTRONICS

ETHICAL PEDIGREE

Vision

To be the most preferred distributions and services partner in the Indian IT and telecom industry.



Mission

To keep people at the centre of everything we do.

To uphold a transparent work culture and ethical business practices in everything we do.

To foster a culture of innovation, free thinking and empowerment, in everything we do.

To fuel the passion of excellence in everything we do.



Values

Humility Accessibility Emotionally-involved Passionately-driven Extensively-delegated Committed

Rich experience

Incorporated in 1993, Supertron Electronics Private Limited is one of India's leading companies engaged in the distribution and marketing of IT products.

Financial performance

Supertron is an efficiently-managed supply chain partner with a turnover of ₹3,620 crore and profit after tax of ₹27.07 crore in FY 2019-20.

Nationwide presence

Headquartered in Kolkata, Supertron enjoys a strong pan-India presence comprising 36 branch offices, 30 satellite offices and 60 warehouses manned by 588 employees across 29 States and seven Union Territories servicing a robust network of >10,000 retailers. The Company established a 45,000 square feet warehouse in Chennai. The Company covers 70% of India's footprint, accounting for a 4% share of the country's IT hardware market.

Diversified range

The Company's products comprise desktops, laptops, external hard drives, flash drives printers, servers, netbooks, PC components, peripherals, memory modules, storage devices, networking products manufactured by prominent global brands.

Stringent compliance

The Company has been accredited with the ISO 9001:2015 certification in recognition of its emphasis on consistency.

THE FIRST WORD

The outbreak of the COVID-19 pandemic represents a watershed in the history of humankind.

The pandemic has shifted attention to a sector that has helped protect humankind on the one hand and keep the economic wheels moving.

The sector is information technology.

The power of information technology has empowered people to work from home, interact socially across borders and study from home.

There is a deeper realisation that the technology-driven adjustments that people have made in their lives may not be completely reversed once society normalises; a number of the changes could well be lasting. A number of companies have announced that a large proportion of their employees could be empowered to work from home – not as an exception but as a rule.

A number of schools expect to stay 'virtual' across the foreseeable future.

A number of social engagements are expected to be conducted through the computer.

AWARDS AND ACCOLADES

2011

 Awarded the 'Partner leadership Award, 2011 - Best National Distributor (ND) for Upcountry Reach' by ITPV

• Conferred the 'Award for Best ND for Upcountry Reach' by IT Price VAR, a leading IT media publication

2015

• Received the 'Best National Distributor for East' award from VAR India

2016

• Awarded the 'Best Strategist Brand 2016' award by ASSOCHAM

2017

• Received the 'Pride of the Nation - India's Greatest Brand and Leaders' award from Asia One

• Bestowed with the 'Community Award' by ASSOCHAM

• Counted among Power Brand's 'Rising Stars'

• Felicitated as the 'Best India and Asia-Pacific Distributor' by Seagate

A number of physical processes are likely to become completely online.

A large part of one's shopping is now conducted online.

The result is that digitalisation is not just a growing part of our lives; it will be integral to our existence from this point onwards.

This digitalisation is the catalyst that India needs to be able to correct its extensive underpenetration of personal computers.

This correction is likely to be catalysed by the Indian government's commitment to link every village with optic fibre within 1000 days, which promises to extend a personal computer into most homes.

As the underpenetration corrects itself, the business of Supertron – the right product delivered to the right point of sale in the shortest time – will become increasingly relevant across the coming years not just to customers or country but to humankind.

The time starts now.

2018

• Received the 'Most Aggressive Distributor' award by NCN magazine

• Received the Dell Diamond award

• Received the 'Brand Science and Excellence' award from ASSOCHAM

• Felicitated by Zotac for best performance during 2017-18

• Felicitated as 'The Extraordinaire' by *Brand Vision* and *Times Now*

2019

- Received Seagate Product Management Champion
- Received Dell Diamond Award, Dell 2-in-One Champ and MBO-SD Retail Champion

• Received Stars of the Industry Awards for Excellence in Branding and Marketing by ET Now

- Received Best Brand Strategist of India 2019 by ZEE Business & World Wide Achievers
- Received Fastest Growing Company of the Year 2018 recognition by NCN Magazine
- Supertron Foundation awarded 'The best Corporate Foundation' award by CSR Times

• Emerged as the winner in the Under Top 10 VAD in India at 5th ISV Virtual Summit & Awards 2020 SUPERTRON'S PRINCIPALS ARE AMONG THE MOST RESPECTED NAMES THE WORLD OVER

Dell

Headquartered in Round Rock, Texas, Dell Technologies is a leading global end-to-end technology provider, with a comprehensive portfolio of IT hardware, software and service solutions. After spending six years as a private limited company, in 2018, Dell Technologies became a public limited company. In 2018, Dell ranked 35th on the Fortune 500 rankings of the largest American corporations by revenue. Supertron is the exclusive national distributor of Dell desktops, TFT monitors and projectors and also acts as a region-specific distributor for its notebooks

Engagement commencement year: 2008 Exclusive relationship basis product segmentation & defined territory All-India (both depending on product segmentation)

Zotac

Headquartered in Hong Kong, Zotac specialises in producing video cards, mini PCs, solid-state drives, motherboards, and other computer accessories. Supertron is one of the prime distributors of Zotac's products in India.

Engagement commencement year: 2016 Exclusive All-India

Acer

Headquartered in Taiwan, Acer is a multinational hardware and electronics corporation, specialising in advanced electronics technology. The Company's products include desktop PCs, laptop PCs (clamshells, two-in-ones, convertibles and Chrome books), tablets, servers, storage devices, virtual reality devices, displays, smartphones and peripherals.

Engagement commencement year: 2003 Exclusive relationship basis product segmentation & defined territory All-India

Seagate

Headquartered in California, United States, Seagate Technology is the world's largest manufacturer of hard disk drives, providing data storage solutions and developing products that enable people and businesses around the world to create, share and preserve their memories and critical business data. Supertron is among the two leading Seagate distributors in India.

Engagement commencement year: 2005 Exclusive Relationship basis product segmentation & defined territory All-India (both depending on product segmentation)

Lenovo

Lenovo is one of the world's leading personal technology companies, producing innovative PCs, smartphones, workstations, servers, electronic storage devices, IT management software and smart televisions and mobile internet devices. Lenovo designs, develops, manufactures and sells personal computers, tablet computers. Lenovo is the world's largest PC vendor and third-largest smartphone company. Supertron distributes the ThinkPad line of notebook computers and the ThinkCentre line of desktops in India for SMB Segments

Engagement commencement year: 2014 Non-exclusive All India

Samsung

Headquartered in Seoul, Samsung maintained its sixth rank in the Interbrand's Best Global Brands 2018 list with a brand value of ~US\$ 60 bn – achieving a 6.5% increase in value. Supertron is a leading provider of consumer electronics, IT and telecom products manufactured by Samsung in the Indian market.

Engagement commencement year: 2015 Non-exclusive All-India

TP-Link

Headquartered in Shenzhen, TP-Link is the manufacturer of computer networking products. TP-Link is one of the few major wireless networking companies to manufacture its products inhouse as opposed to outsourcing to original design manufacturers. Supertron is one of the principal distributors of TP-Link products include wireless networking devices, portable routers and 3G/4G routers, among others.

Engagement commencement year: 2016 Exclusive All-India

LG

Headquartered in Seoul, LG, is a Fortune 500 company with offices in >80 countries. The Company produces electronics, chemicals, and telecommunication products. LG Electronics tied up with Supertron Electronics for distributing its optical disk drives across India.

Engagement commencement year: 2015 Non-Exclusive

Sapphire Technology

Headquartered in Hong Kong, Sapphire Technology is the world's leading manufacturer and global supplier of innovative graphics and mainboard products, delivering its AMD Radeon-based products addressing gaming and e-sports enthusiasts as well as delivering an array of professional graphics products and embedded system solutions. Supertron is the prime distributor for products manufactured by Sapphire Technology in India.

Engagement commencement year: 2015 Exclusive All India

Logitech

Headquartered in Lausanne, Logitech develops and markets personal peripherals for PC navigation, video communication and collaboration, music and smart homes. This includes products like keyboards, mice, tablet accessories, webcams, bluetooth speakers and universal remotes among others.

Engagement commencement year: 2016 Non Exclusive All India

Wacom

Headquartered in Japan, Wacom develops and markets personal peripherals for PC navigation, video communication and collaboration, music and smart homes. This includes products like keyboards, mice, tablet accessories, webcams, bluetooth speakers, universal remotes, among others. In India, Supertron is its exclusive distributor pen tablet and paper digitalisers.

Engagement commencement year: 2017 Exclusive All-India

CyberPowerPC

Headquartered in Los Angeles, CyberPowerPC has been consistently ranked within the top-150 largest privately-owned companies, the Company produces and sells custom-built PCs primarily for use in computer gaming. Supertron is the prime distributor of their products in India.

Engagement commencement year: More than 10 years

Exclusive

All-India

Corsair

Incorporated in 1994, Corsair has grown from pioneering the high-performance DRAM market to one of the world's leading providers of enthusiast grade PC components and peripherals. The Company's products are available in >60 countries. Supertron markets its products in India.

Engagement commencement year: 2010 Exclusive All-India

Protegent

This is the world's only antivirus which comes with inbuilt proactive data recovery software and secures computer's data from accidental permanent deletion. The company has >5 licensed users spread across 125 countries. Supertron markets its products in India.

Engagement commencement year: More than 10 years Exclusive All-India

Xerox

Headquartered in Connecticut, Xerox provides document management solutions worldwide. The company has 12,000 active patents and manages 1.5 mn devices worldwide. The company is present in >160 countries and in India. Supertron is one of the key distributors of the company's products in India.

Engagement commencement year: 2016 Exclusive All-India

Barco NV

Barco NV is a Belgian technology company that specialises in digital projection and imaging technology, focusing on three core markets: entertainment, enterprise, and healthcare. Barco is headquartered in Kortrijk, Belgium, and has its own facilities for sales and marketing, customer support, R&D and manufacturing in Europe, North America and Asia Pacific. Supertron is one of the marketers of their products in India.

Engagement commencement year: 2018 Non exclusive All-India

Kaspersky Lab

Headquartered in Moscow, Russia, Kaspersky Lab is a multinational cybersecurity and anti-virus provider. The company develops and sells antivirus, internet security, password management, endpoint security, and other cybersecurity products and services.

Engagement commencement year: 2019 Exclusive All-India

Ninestar

Headquartered in Zhuhai, Ninestar was founded in 2000 as a sub-company of Ninestar Corporation. The company is engaged in manufacture of inkjet cartridges, toner cartridges and ribbons' development for more than sixteen years. The company launched a brand named G&G.

Engagement commencement year: 2019 Exclusive All-India

Harman International

Headquartered in Connecticut, USA, Harman International is an American company that designs, engineers and produces connected products for automakers, consumers and enterprises worldwide, including connected car systems, audio and visual products, enterprise automation, and connected services. The company has been a wholly owned subsidiary of Samsung Electronics since 2017.

Engagement commencement year: 2019 Non-exclusive All-India

All-India

Pelco

Headquartered in California, USA, Pelco is an American based security and surveillance technologies company. Pelco is a provider of security cameras, recording and management systems, software, and services. The company's products can be found in cities, hospitals, airports, seaports, gaming facilities, retail and office environments, schools, and universities.

Engagement commencement year: 2020 Exclusive All-India

Cybernetyx

Cybernetyx is incorporated in 2009 and 2010 in India and Germany respectively with the technology EyeRIS(R).Today, Cybernetyx® EyeRIS technology is the most used portable interactive display technology in the world licensed by multiple global leading display and education solution companies like NEC, SONY, ViewSonic, Delta, IL&FS, Tata Interactive, Educomp, among others; reaching over 15 mn users worldwide in over 80 countries.

Engagement commencement year: 2019 Exclusive All-India

Optoma Corporation

Headquartered in Taiwan, Optoma Corporation specialises in design and manufacture of projectors, digital cinema, laser projectors, LED projectors, DLP projectors, interactive projectors, image processing equipment and software, projection mapping, digital signage and retail solutions, and professional audio products. The Company has regional headquarters in Europe, North America, Asia-Pacific and China. Optoma Corporation is part of the Coretronic Group, which has R&D and manufacturing facilities in Hsinchu, Taiwan and Kunshan, China

Engagement commencement year: 2019 Exclusive All-India

Pantum International

Pantum is a created-in-China printer brand and strives to provide global printer users with reliable, affordable, environmental friendly and most importantly, simple printing solutions and services.

Engagement commencement year: 2019 Exclusive All-India

Silicon Power

Incorporated in TaiPei, Taiwan, Silicon Power Computer & Communications Incorporated is an international brand and a Taiwan-based manufacturer of flash memory products, including flash memory cards, USB flash drives, portable hard drives, DRAM modules, card readers, solid state drives, USB adapters, and other industrial grade computer products.

Engagement commencement year: 2019 Exclusive All-India

Synology

Synology Inc is a Taiwanese corporation that specialises in network-attached storage (NAS) appliances. Synology's line of NAS is known as the DiskStation for desktop models. FlashStation for all-flash models. and RackStation for rack-mount models. Synology's products are distributed worldwide and localised in several languages. In 2018, product review website Wirecutter described Synology as a longtime "leader in the smallbusiness and home NAS arena". albeit still a newcomer in the field of Wi-Fi routers.

Engagement commencement year: 2019 Exclusive All-India

Ubiquiti Networks

Headquartered in New York, USA, Ubiqiiti Networks manufactures and sells wireless data communication and wired products for enterprises and homes under multiple brand names.

Engagement commencement year: 2019 Exclusive All-India

Zeevee

ZeeVee is the leading global developer of digital technology and products for distributing audio-video content from any source or multiple sources to any number of displays. The company's products are manufactured in the US and are deployed worldwide throughout the education, government, corporate, healthcare, broadcasting, hospitality, retail, housing, and other industries.

Engagement commencement year: 2019 Exclusive All-India

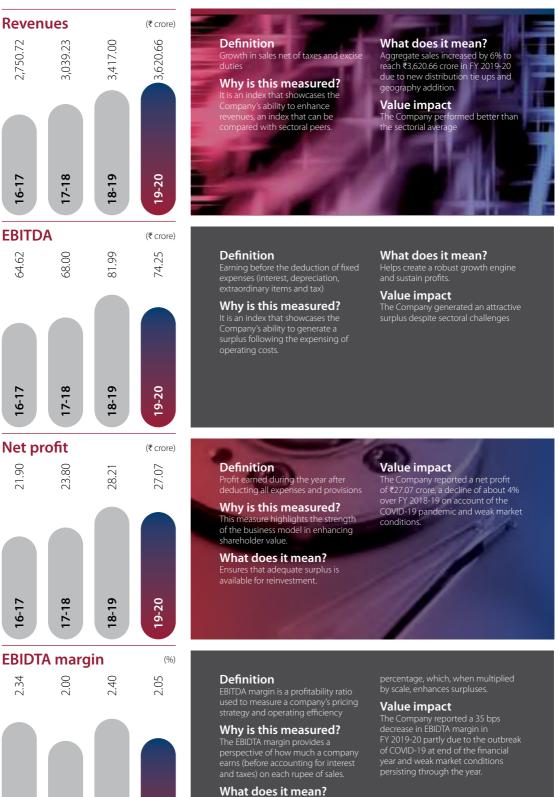
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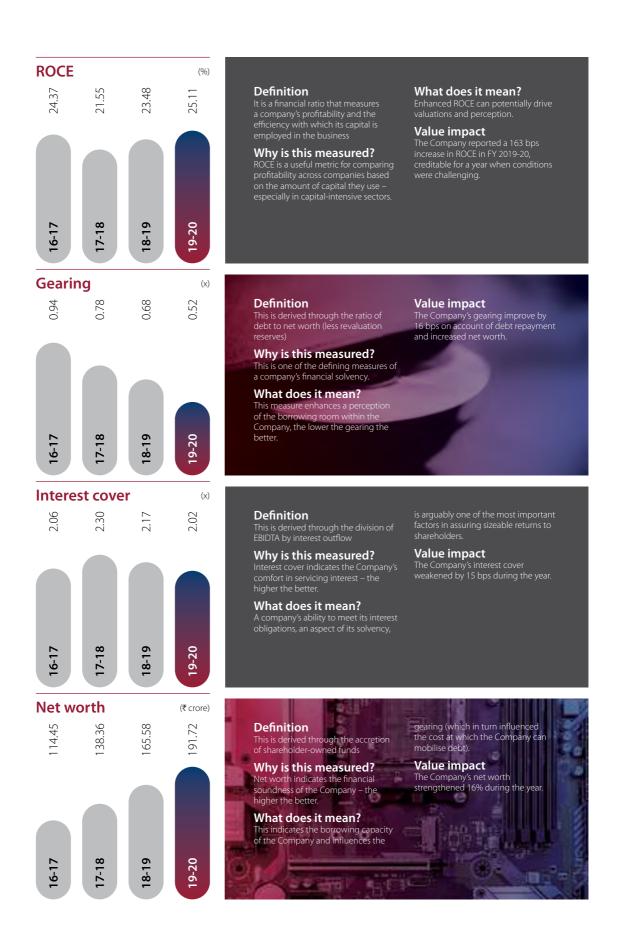
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HOW WE PERFORMED IN THE LAST FEW YEARS



This demonstrates adequate bu in the business expressed as a



HOW WE HAVE GROWN OVER THE YEARS

1993	• Founded as an import and trading organisation by Mr. V. K. Bhandari with four employees
2001	• Appointed by Kobian Pte Ltd, Singapore, as the distributor of the Mercury range of PC components comprising motherboards, cabinets, keyboards and computer mouse, among others
2002	Appointed as an import partner by Seagate Technology LLC
2003	 Became the first IT company based out of Eastern India to cross ₹100 crore in turnover Appointed by Acer as national distributor of PC products
2005	 Launched the proprietary Supercomp PC component brand Emerged as one of the strongest national brands
2006	 Appointed by Seagate Technology LLC as national distributor for hard disk drives Appointed by Transcend, a global leader in the field of consumer electronics, as national distributor
2007	 Launched 800 volt-ampere and 1 kilovolt-ampere uninterrupted power systems besides a 5.1 channel comprehensive home theatre system under the Supercomp brand Became national distributor for ASRock, Taiwan; forged ties with Foxconn
2008	 Appointed by IBM as the national distributor for servers and by Dell for desktops and TFT monitors

2009	 Became the sole IT Eastern India IT company to cross ₹500 crore revenues (₹611 crore) in FY 2008-09
	 Won the Maharashtra Government's ₹15 crore-contract to supply desktops in 945 schools across 35 districts
	 Awarded ₹3 crore contract for a turnkey system integration project by IISCO
	 Ranked among the top-five PC component brands in India
2010	 Ranked 57th among the top-100 Indian IT companies by Dataquest
	 Crossed ₹900 crore in turnover
2013	 Recognised as a 'Top Business Performer' by Transcend; emerged as the largest distributor for Dell's consumer business
2014	 Crossed ₹1,500 crore in turnover
2015	 Crossed ₹2,000 crore in turnover; recognised as one of the top-50 Indian IT companies
2016	 Selected among the '50 Best Companies To Work For' by Silicon Review, California
2017	 Recognised among the '20 Most Innovative Companies to Watch' by Insight Success and as the 'Fastest-Growing Company (>₹1,000 crore)' by Economic Times
2018	Received the 'Brand Science and Excellence' award from ASSOCHAM
2019	 Best Brand Strategist of India 2019 by ZEE Business and World Wide Achievers; crossed ₹3,500 crore in turnover











HOW SUPERTRON TRANSFORMED REALITIES FOR LENOVO

In 2018, Lenovo expressed an interest in exploring new laptop marketing relationships. The Company was selling around 2000 units a month; it felt that it should be selling a considerably higher number.

Lenovo entered into a relationship with Supertron.

Supertron understood the Company's product and brand; it designed an all-India distribution strategy that would enhance product visibility among trade partners.

In FY 2019-20, the relationship took off.

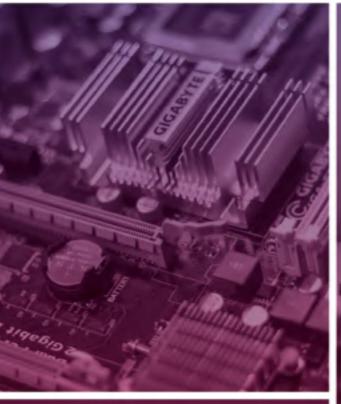
By the close of the financial year under review, within just 36 months of the new relationship, Supertron was helping Lenovo sell 11,250 units a month.

Delighting its principal.



By the close of the financial year under review, within just 36 months of the new relationship, Supertron was helping Lenovo sell 11,250 units a month.

Supertron Electronics Private Limited Annual Report, 2019-20







HOW CORSAIR TRUSTED SUPERTRON WITH AN EXCLUSIVE RELATIONSHIP AND NEVER REGRETTED

In 2017, Supertron entered into an exclusive relation with Corsair, the international giant manufacturing Random Access Memory.

The engagement was unique; it was the first time that Corsair was entering into an exclusive distribution arrangement with a partner in a country.

The challenge was evident. Corsair's sales at 8,000 units a month needed immediate improvement.

Following comprehensive distribution planning, Supertron arrived at a definitive plan.

This then is the result: within the space of 36 months, sales 'broke out' to touch 22,000 units a month.

Besides, Supertron helped Corsair's sales double to ₹7.50 crore a month within a year.

Exciting its principal.



Supertron helped Corsair's sales double to ₹7.50 crore a month within a year.



HOW SUPERTRON HELPED DELL TFT RETAIN ITS NUMBER ONE RETAIL POSITION FOR TEN YEARS...

Dell entered India with a PC and a laptop followed by the TFT. The MNC giant approached Supertron to design a pan-national distribution and positioning strategy that would make an impact. In a competitive segment, the options were diverse: undercut competition, capture market share, place the product at par with competition and let the market decide.

Supertron walked the road less travelled; the Company advised Dell to price at a premium. When local trade partners heard of this, they suggested that we may have made a mistake. However, our approach was validated: Dell's TFT initially carved away attractive market share.

After the market had stabilised, we suggested a strategic revision. We empowered our junior sales officers to persuade the smaller retailers to sell Dell around an incentivised approach. The result was that we didn't just capture market share; we grew the market as well.

The result: Dell's TFT market share has grown from scratch to 40%; Supertron helped the MNC remain the undisputed market leader for seven years.

Validating the confidence of the principal.



Dell's TFT market share has grown from scratch to 40%; the MNC has remained the undisputed market leader for seven years.







HOW SUPERTRON HELPED SEAGATE RETAIN ITS HARD DISK MARKET LEADERSHIP...

Seagate engaged Supertron as a hard disk sub-distributor in 1994.

Following increased confidence, the global giant appointed Supertron as a national distributor a few years later in 2006.

As competition increased, there was a premium on protecting Seagate's leadership.

Supertron advised its MNC principal on various options to grow the market and also capture a disproportionately large share: wider choice of colours and sizes; engaging the large format stores to stock Seagate hard disks; launch an ecommerce-centric product; create an exciting incentive structure for trade partners.

When the third initiative was launched, trade partners felt that the move would be fleeting; a quarter later they were surprised when the initially-undisclosed structure exceeded their expectation; by the third quarter, they were convinced that this was a longstanding partner-centric approach.

The result: 80% of the Company's trade partner engagements to market Seagate products are exclusive.

During the last financial year, market share revived in the face challenging market realities from the mid-fifties to around 65%.

There is a new whisper across trade partners: 'You will never lose money on Seagate.'

Enthusing its principal.



80% of the Company's trade partner engagements to market Seagate products are exclusive.

Supertron Electronics Private Limited Annual Report, 2019-20





HOW DELL ENGAGED SUPERTRON TO DISTRIBUTE THE INSPIRON NOTE BOOK IN PUNE, ENHANCING MARKET SHARE

For years, Dell had segregated the distribution of its Inspiron product in Maharashtra across three players.

The smallest of these was Vidarbha, which had been allocated to Supertron. The latter proved its credentials in this market by growing the presence of its MNC client by the virtue of engaging deeper with local trade partners.

Some years later, Dell took a decisive step forward: it allocated distribution in Pune and its hinterland to Supertron.

The appointment came with challenges: there were distributor conflicts of interest that needed to be addressed; there was a need for equity among smaller retailers; there was a premium on the need for local trade confidence.

In FY 2019-20, Supertron set about addressing the ground-level challenges of this prestigious market. It began to respond with a local strategy customised to the nature of the market. As local trade confidence increased following Supertron's intervention, Inspiron's market share began to climb steadily, starting with a near 10% growth in the first quarter.

By the close of the financial year under review, Supertron had grown its wallet share among trade partners and doubled Inspiron's Pune business.

Pleasantly surprising its principal.



By the close of the financial year under review, Supertron had grown its wallet share among trade partners and doubled Inspiron's Pune business.

MANAGEMENT OVERVIEW, FY 2019-20



Mr. V. K. Bhandari Chairman and Managing Director of Supertron, analyses the Company's performance in FY 2019-20

"THERE IS A POSSIBILITY THAT THE INDIAN MARKET COULD GROW IN THE HIGH PERCENTAGE TEENS DURING A NORMALISED YEAR; THERE IS EVERY POSSIBILITY THAT A COMPANY LIKE SUPERTRON COULD GROW EVEN FASTER."

Q: Were you pleased with the performance of the Company during the year under review?

A: The Company performed creditably given the challenging realities - the economic slowdown within India that prompted most commercial buyers to defer their purchases and the outbreak of the COVID-19 pandemic in the first quarter of the calendar year that translated into lockdowns. Considering that around 11% of our annual revenues are derived from March and the last ten days of that month generally account for 40% of our revenues for that month - easily the most productive ten days of our financial year - we were affected by the lockdown that came into effect from 24th March, 2020. During this lockdown, there was a virtual closure of all economic activity in the country. Supertron 'lost' around ₹150 crore in notional sales during this period, which translated into an estimated 'loss' of ₹6 crore of pre-tax profit for the year under review.

It would be interesting to examine our numbers had the lockdown not transpired. Supertron is likely to have reported revenue growth of around 8% (as against the 5% growth that it eventually reported) as against the industry growth of 2% in FY 2019-20.

The result is that even after factoring the lockdown impact, the Company outperformed the growth of the Indian economy and the country's IT sector, which is a reflection of the competitiveness of its business model.

Q: What was the highlight that contributed to the Company's outperformance?

A: The highlight was the maturing of our Lenovo relationship. Supertron entered into a relationship to market desktops and laptops for Lenovo on 2018. There was a gestation in growing this relationship for a year; eventually in FY 2019-20, we started seeing the maturing of this relationship that translated into a 64% revenue growth; besides, the proportion of revenues from this relationship increased from 7% of revenues to 10%. The growth of the Lenovo relationship is an index of how Supertron is helping build the business of its principals in a slowing market, validating the strength of its relationship-driven business model.

Q: What was the other highlight of the Company's performance during the year under review?

A: Across a number of years, Supertron followed a linear growth strategy: the Company focused largely on high-ticket but relatively low margin products that provided it with marketplace visibility and earned principal respect. In line with this approach, Supertron emerged among the 5 largest IT distributors in India. Once this position had been achieved, the Company recognised the need to broaden its product mix, graduate to solutions (as distinct from product sales) and introduce higher margin products to enhance overall profitability. The result of this approach was visible during the last financial year; the basket of value-added products increased from 18% of the Company's revenues to 20% with

It would be interesting to examine our numbers had the lockdown not transpired. Supertron reported revenue growth of around 8% (as against the 5% growth that it eventually reported) as against the industry growth of 2% in FY 2019-20.





Through focus and operational streamlining, the Company successfully moderated working capital outlay by a substantial ₹190 crore on the one hand and increased revenue by 6%. a more than disproportionate impact on the Company's profits. We believe that this represents a shifting of the needle at Supertron where the Company will gradually increase the proportion of profitable products towards superior profitability.

Q: How did the Company adapt to a slowing economy?

A: One of the most decisive initiatives that the Company took was in right-sizing the quantum of working capital in circulation. There were a number of reasons for this - working capital finance being sourced by the Company was at a cost of 9%; the quantum of working capital debt restricted the Company's financial flexibility; the quantum of debt on the books affected our credit-rating, which, in turn, increased the cost at which we could mobilise funds. This realisation made it imperative for the Company to seek a different way of doing business.

Q: What was this difference?

A: When the Company embarked on the year under review, working capital as a proportion of total employed capital was around 61%. The general perception was that if the Company attempted to

reduce the inventory quantum, there would be a decline in revenues. Through focus and operational streamlining, the Company successfully moderated working capital outlay by a substantial ₹190 crore on the one hand and increased revenue by 6%. This indicates that the Company strengthened the quality of its business during the challenging year by focusing not only on business growth but also capital efficiency. At Supertron, we believe that this represents the turning of the ship: a ship that is not only focused on how fast it cruises but also how efficiently it does. We believe that the full impact of this right-sizing initiative - superior logistics and human productivity - will be reflected in our numbers for FY 2020-21, showcased in a lower gearing on the one hand and superior margins on the other.

Q: How else did the Company strengthen its business during FY 2019-20?

A: The Company continued to invest in forging new relationships with its principals. For instance, the Company entered into an exclusive all-India relationship to market speakers for the international Harman brand;



the Company entered into a relationship with Pelco for the IP Camera, Video and Others product. The Company continued to be an attractive draw for brands entering India for some good reasons: its wide and deep pan-India distribution network made it possible for hardware multinational brands to penetrate India with relatively low downtime. The Company provided such brand with the complement of channel distribution (offline), e-tail (online) and large format stores supported by 36 pan-Indian branches. The result is that the Company's principals discovered, much to their pleasant surprise, that their products moved faster following the Supertron engagement but also without any compromise on their receivables.

Q: What is the Company's outlook for FY 2020-21?

A: Even as it is not possible to estimate when the market will normalise, the outlook for the Company is positive for some good reasons: the lockdown has made it imperative to work and study from home. This has opened up a vast new market that was latent for a long time. Suddenly, virtually member of a middleclass (and above) household is a desktop or laptop consumer; from a product that would otherwise be shared, the desktop or laptop are becoming individualised. This shift is opening up a large new market: there is a possibility that the Indian market could grow in the high percentage teens during a normalised year; there is every possibility that a company like Supertron could grow even faster.

Q: How is the Company positioned within its sectorial ecosystem?

A: Supertron is one of the three largest distributors in India, servicing around 10,000 retailers. To this network we bring the power of 36 branches where we stock products and 50 locations that work like pure sales offices were we do not stock. We continue to enjoy the brand of a distribution service provider that takes the business of its principals ahead. Five years ago, we represented only 50 products of our MNC principals; the number has increased to 100 today. More importantly, 80% of our principal relationships are exclusive, possibly the largest such percentage among India's IT distribution segment, empowering us to capitalise on every upturn in product demand.

Five years ago, we represented only 50 products of our MNC principals; the number has increased to 100 today. More importantly, 80% of our principal relationships are exclusive, possibly the largest such percentage among India's IT distribution segment, empowering us to capitalise on every upturn in product demand.

Supertron Electronics Private Limited Annual Report, 2019-20

HOW WE OUTPERFORMED OUR SECTOR'S GROWTH AVERAGE IN THE LAST FEW YEARS

1

We increased the number of principals we worked with from 30 to 36 across the space of five years ending FY 2019-20.

8

We grew the business of solid state drives for the gaming section from scratch a few years ago to 2% of our revenues in FY 2018-19 to 3% of our revenues in FY 2019-20

7

We grew system integration revenues from around ₹50 crore in FY 2017-18 to ₹125 crore in FY 2018-19 to ₹135 crore in FY 2019-20

6

We focused deeper on the ecommerce and organised large format retail trade segment (Croma and Reliance), increasing revenues from this revenue stream from 10% in FY 2017-18 to 16% in FY 2019-20. We increased the number of products we represent and market from 70 to 140 during this period.

2

3

We increased the number of exclusive engagements from 30% of our overall relationships with principals to 80% during the year under review.

4

We increased our wallet share of the business done by our principals in India (which means that they shifted more products marketed by others to us).

5

We increased focus on C and D grade cities of India, increasing their share in our revenues from 20% earlier to 25% (on a higher revenue base) during the year under review.

WHAT MAKES SUPERTRON DIFFERENT

For our principals

We are a focused distributor, driven to enhance the principal's market share.

We are an extended arm of the principal, playing a consultative cum distribution role, helping build the principal's distribution network.

We listen to our principal's 'go- to- market ideas', and customise them as per our terrain understanding to grow their market share with speed.

We exceed the targets provided by our principals.

We provide our principals with a real-time understanding of marketplace realities through a forward-looking investment in ERP.

For our shareholders

Most of our relationships with principals are based on exclusive representation in India on the basis of substantial value delivered (even as most principals seek non-exclusive engagements)

We are working directly with retailers, strengthening a deeper understanding of the marketplace, prompting proactive improvements in the product mix

Nearly 15% revenues were routed through non-conventional distribution partners in FY 2019-20 as compared with 100% a few years ago, reducing the proportion of revenues without discounting or altering terms of trade.

The launch of the Systems Integration business through the creation of a valueadded vertical is helping market products with complete technical knowhow.

For our trade partners

The widening of our distribution network by providing retail partners with a portal to counter the ecommerce threat

The engagement with the right principals for the right products, strengthening a consumer pull and sales velocity

For our employees

We focus on retaining our people, preserving our intellectual capital (95%, FY 2019-20)

We are a company of 'entrepreneurs' possessing the conviction that each employee 'owns' the Company.

We grew our revenues in FY 2019-20...

3,417 ₹ crore, revenues, FY 2018-19

3,620 ₹ crore, revenues, FY 2019-20 This translated into a stronger debt-equity ratio in FY 2019-20...

0.68 Debt-equity ratio, FY 2018-19

O.52 Debt-equity ratio, FY 2019-20 This, in turn, helped manage our margins in FY 2019-20...

2.4 % EBIDTA profit margin, FY 2018-19

2.05 % EBIDTA profit margin, FY 2019-20

HOW WE INTEND TO ENHANCE SHAREHOLDER VALUE

1 MODERATE WORKING CAPITAL OUTLAY	At Supertron, we believe that by enhancing operating efficiency, it is possible to strengthen the financial hygiene of our business, reflected in moderated working capital outlay and lower interest cost. Even as working capital declined ₹12 crore in FY 2019-20, the	full impact of this is likely to be visible from the current financial year onwards – in the form of lower interest outflow on the one hand and a higher interest cover, validating our enhanced liquidity.
2 EXCLUSIVE RELATIONSHIPS	At Supertron, we believe that entering into exclusive relationships with global principals for mass-based and fast moving products which provides our Company with the foundation on which to build scale. This scale is important for our business; it provides visibility that makes it	possible to amortise our fixed costs effectively, strengthening margins. Besides, the scale plays another role: it enhances our respectability that makes to provides prospective principals an estimate of our business management capability.
3 NICHE PRODUCTS	At Supertron, we believe that the volume-based approach to our business needs to be complemented with niche value-adding products. These products generally comprise Pantum printers, GNG toner/ cartridge, Corsair memory RAM and components, graphic cards (AMD and NVidia) and	value-added distribution. During the last financial year, the proportion of revenues from this basket of products was relatively low at 3%, but over time we expect this proportion to increase, strengthening overall margins and shareholder value.
NICHE	At Supertron, we believe that the volume-based approach to our business needs to be complemented with niche value-adding products. These products generally comprise Pantum printers, GNG toner/ cartridge, Corsair memory RAM and components, graphic	During the last financial year, the proportion of revenues from this basket of products was relatively low at 3%, but over time we expect this proportion to increase, strengthening overall margins

5 PRODUCTS SUITE	At Supertron, we believe that a complementary suite of products makes it possible to extend the sale of one product to the sale of related products. The complementarity of this suite makes it possible to extend a product transaction to a solution offtake, strengthening sales.
6 DIRECT MARKET ACCESS	At Supertron, we generated 1% of our FY 2019-20 revenues directly from retailers, strengthening our market access and understanding, translating into a superior product mix.
7 CASH AND CARRY	At Supertron, we expect to increase the proportion of sales from the cash-and-carry arrangement, reducing our receivables cycle and enhancing cash flows.
8 CONTIGUOUS SPACES	At Supertron, we believe that extension into contiguous product spaces (gaming and enterprise solutions) is value-accretive on account of the low cost of entry and ability to generate cross- sale.

SUPERTRON'S BUSINESS MODEL

Supertron addresses a large under-penetrated Indian market with vast headroom that is likely to make this a growth market for years on end. This market, a combination of first-time product acquisition and subsequent product replacement and upgradation, is expected to make India one of the most attractive global markets for IT products.

ATTRACTIVE MACROECONOMIC INDIAN REALITIES

Growing population base

• India is the second-most populous country in the world

• India adding ~15 mn people a year, the largest global quantum

• India is likely to become world's most populous country in a few years from now

Rising disposable incomes

• India was the fastest-growing major economy until a couple of years ago

• Per capita incomes strengthened from ₹1,26,521 in FY 2018-19 to ₹1,34,226 in FY 2019-20

Favourable demographic dividend

• India is one of the youngest countries in the world with a median age of ~28

• In 2020, the average age of Indians is expected to be 29 years, the lowest in the world • India's workforce is expected to be second-largest in the world comprising 840 mn people in the 15-to-64-year age group, accounting for ~66% of the total population • The 0-to-40-year age group is estimated to account for ~70% of the Indian population by 2025

Growing literacy

• India's youth literacy increased from 81.1% in 2006 to 89.7% in 2015

• Gross enrolment ratio in the higher education segment increased from 20.8% during FY 2011-12 to 25.2% during FY 2016-17

(Source: Business Today, Economic Times, Financial Express)

OUR OPTIMISM IS DRAWN FROM A ROBUST NATIONAL REALITY

5 No. of internet users 2000 (In mn)

636.73 No. of internet users, 2019 (In mn) **O.8** Average broadband internet speed, 2010 (in Mbps)

29.06 Average broadband internet speed, 2019 (in Mbps)

543.08

Indian gaming industry, 2016 (in US\$ mn)

801 Indian gaming industry, 2022 (in US\$ mn)

120 National gamers, 2016 (in mn)

310 National gamers, 2021 (in mn) 1.05 Population of India, 2000 (in bn)

1.366 Population of India, 2019 (in bn) 16,000 Average revenue per software engineer, 1990 (in US\$)

38,000 Average revenue per software engineer, 2015 (in US\$)

(Source: Business Today, Statista, Tech circle, Live Mint KPMG, Worldometer, inc42.com)

HOW SUPERTRON INTENDS TO CAPITALISE ON AN UNPRECEDENTED INDUSTRY OPPORTUNITY

SOLUTION

Supertron extended from core product (computer hardware and peripherals) to underpenetrated (enterprise solutions and gaming)

WELL-GOVERNED

Supertron has invested in processes and systems that have enhanced organisational governance

DIVERSIFIED

Supertron provides a suite of value-added products, strengthening its recall as a one-stop solution provider

DIFFERENTIATED

Supertron focuses on quick product offtake and superior working capital management

CREDIBILITY

Supertron engages with globally respected principals who are leaders in their areas of specialisation

CUSTOMER-CENTRIC

Supertron extended beyond transactional (product distribution) to enduring relationships (market expansion), strengthening its engagement with principals

STRATEGIC

Supertron does not deliver products point-to-point; it is focused on making its principals grow their business, market presence and share

WIDESPREAD

Supertron's footprint extends across India, especially Tier 2/3 towns where it addresses the needs of general trade, large format retail and ecommerce formats

SUPERTRON'S BUSINESS MODEL LEADING TO OUTPERFORMANCE



INTERFACE POINTS

Supertron serviced 66 customer-interfacing points across India (~58% in Southern and Western India and ~75% of this network in urban and suburban India)



BALANCE

Supertron extended from the conventional B2C space to the B2B segment (enterprise solutions)



KNOWLEDGE

Supertron's extensive knowledge of the Indian market empowers its principals to make businessstrengthening decisions, resulting in multi-year relationships



OUTLIER

Supertron reported a 6% growth in revenues and a stagnant in bottom-line in FY 2019-20, higher than the industry growth



PROFITABILITY

Supertron's EBITDA margin stood at 2.05% in a deeply discounted business environment in FY 2019-20



BOUQUET

Supertron provides a bouquet of cutting-edge products manufactured by leading international brands coupled with 24x7 logistics support

THE COVID-19 OUTBREAK HAS BROUGHT ONE SECTOR INTO THE SPOTLIGHT – THAT OF I.T. HARDWARE.

What the world is telling us

"Some, including several Silicon Valley giants, have announced that they will allow employees to work from home permanently." (Source: https://www.cfr.org)

"According to Nicholas Bloom, an economist at Stanford University who has studied remote work, only 26% of the U.S. labour force continues to work from their job's premises." (Source: https://www.cfr.org)

"Only a quarter of those working from home in the US said they would voluntarily return to their office if it reopened; another quarter said they would rather work from home due to concerns about the coronavirus, while half said they wanted to continue working remotely because they prefer it."

(Source: https://www.cfr.org)

"Morgan Stanley's CEO said the Coronavirus lockdowns have demonstrated that the Company can operate with much less real estate, adding that: 'We've proven we can operate with no footprint. Can I see a future where part of every week, certainly part of every month, a lot of our employees will be at home? Absolutely.""

Amazon extended optional work from home until "at least 2nd October. Microsoft allowed WFH for all but 'essential' workers through October. Salesforce gave all employees the option to work from home for the rest of 2020. Google extended WFH through the rest of 2020 although in a memo to employees. Zillow made WFH universally available through the end of the year with its CEO tweeting, "My personal opinions about WFH have been turned upside down over the past 2 months. I expect this will have a lasting influence on the future of work". Twitter said that employees can WFH permanently if they wish. (Source: https://diginomica.com/) "I think that it's possible that over the next five to 10 years — maybe closer to 10 than five, but somewhere in that range — I think we could get to about half of the Company working remotely permanently." – Mark Zuckerberg (Source: https://diginomica.com/)

"Zoom usage shot up – from 10 mn daily meetings in December, 2019 to 200 mn daily meeting participants in March, 2020. The UK cabinet and 90,000 schools in 20 countries were among new users of the app." (Source: https://www.businessofapps.com)

"According to Apptopia, which monitors app downloads, the daily downloads for Zoom have increased from around 1,70,000 in the middle of February to nearly 2.5 mn in late March." (Source: https://economictimes.indiatimes.com/)

"As per Digital Commerce 360, in the quarter ended 31st March, 2020, consumers spent US\$ 146.47 bn online with U.S. retailers, up 14.5% from US\$ 127.89 bn for the same period the prior year. Online spending represented 16.2% of total retail sales for the quarter. That was up from 15.0% for the same period in 2019 and marks the second-highest online share for any quarter in history after 17.8% in Q4 2019." (Source: Digital Commerce 360) "In India, WFH offers a unique opportunity for more women (particularly, with children) to significantly contribute from home and significantly raise the female labour force participation rate from a paltry 26% today."

Amitabh Kant, Niti Aayog

"When I looked at the last two months that I've been working from home, I've actually had greater flexibility. I have seen people in my apartment complex walking the dog during lunch hour. People can relocate closer to ageing parents; completely exit cities and work in a location with a lower cost of living. So, while we traditionally focussed on women joining the workplace, I'm even more gung-ho about certain other categories of people joining the workplace, people with physical or learning disabilities."

(Source: Ramkumar Ramamoorthy, Chairman and Managing Director, Cognizant India, www.thehindu.com/)

"A 30th March survey of 317 CFOs and business finance leaders that found 74% of those surveyed expected at least 5% of their workforce who previously worked in company offices will become permanent work-fromhome employees after the pandemic ends." (Source: Gartner) "We will see the phenomenal rise of telemedicine. The Indian health system is characterised by a severe shortage of doctors and health practitioners. The key to managing the COVID-19 pandemic is to keep sick people out of hospitals. Virtual consultations with doctors will stop the overcrowding of hospitals. In the US, insurance companies reimburse patients for tele-consultations." – Amitabh Kant, Niti Aayog

"The future will belong to ecommerce and e-pharmacies."

(Source: https://economictimes.indiatimes.com)

"About 25% of those surveyed expect 10% of their employees will remain remote, 17% expect 20% will remain remote, 4% expect 50% will remain remote, and 2% expect over 50% of employees now working from home to permanently work from home after the pandemic subsides." (Source: Gartner) "Globally, 92% of future jobs will need digital skills and 45% of jobs will require workers who can configure and work confidently with digital systems and technology."

(Source: Google)

"According to a study by KPMG and Google, the online education market in India is set to grow to US\$ 1.96 bn, with 9.6 mn users by 2021."

"In the last one month, Google Classroom downloads zoomed past 50 mn and the app climbed to the top of the 'education' category on Android and iOS. Prior to that, it hadn't featured even in the top 100 educational apps, according to AppBrain."

"E-learning services including Udemy, Unacademy and Byju's achieved around 82.73% increase in time spent, 122.62% increase in engagement and 25.12% increase in daily active users."

"Digital consumption will see rapid incremental growth with India's Digital bn trajectory likely to accelerate materially. The report said that users spend around 12% more time on online streaming platforms during the lockdown period than before. The report also suggests a massive jump in online gaming, with an increase of 15% in the number of users per week and 44% in the time spent by each of them."

(Source: thebluecircle.co/)

"85% of Brazilians aged 16-23 want to work in the tech sector." (Source: Google)

"Since summer 2018, coding is a core subject in Sweden – it is now taught from year one in primary school." (Source: Google)

"Teaching will go tech. To enable remote learning, technology will kick in big time. Remote instruction will require that students have access to both capable computing technology and reliable internet service. There are already educationists working on taking a lot of science lessons, even geography, to 3-D. A detailed world map in 3-D, for example, for a Class 6 student would surely be so much more fun. Technology will enrich teaching, but for that teachers and technologists both will have to persevere and innovate."

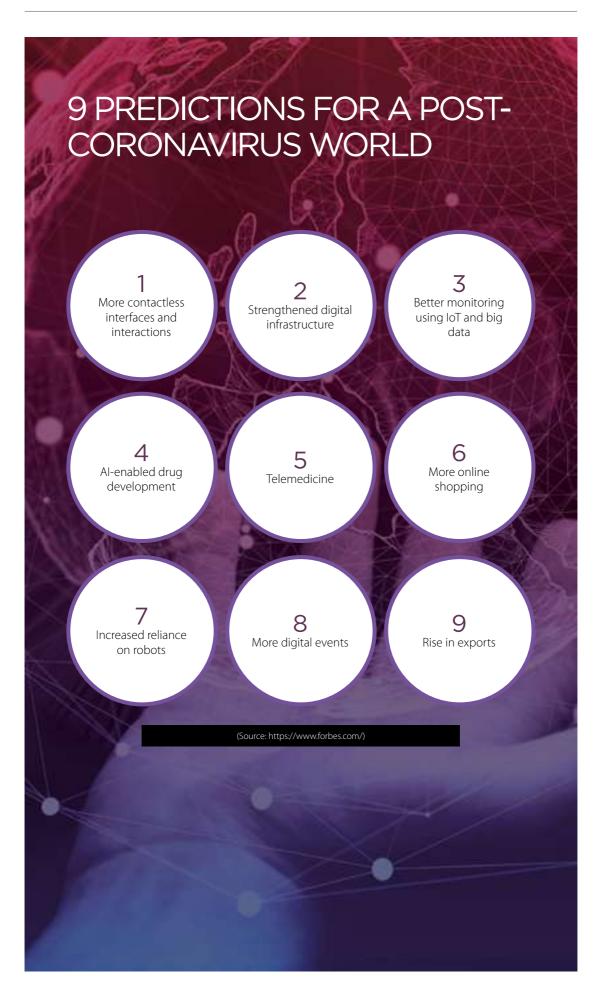
(Source: Future Shock: 25 Education trends post COVID-19)

"Over 4 trn minutes are being spent on Windows 10 a month, a 75% increase year on year," wrote Panos Panay, Microsoft's chief product officer."

(Source: https://www.cnbc.com/))

"Now that technology is finally entering the classroom, a US\$100 laptop, one for every child, may actually no longer be utopian. Perhaps more do-able in the 'connected' basic classroom of tomorrow, is 'One Mouse Per Child', an initiative born from an ongoing relationship between Microsoft Research Connections and Miguel Nussbaum at the Pontificia Universidad Católica de Chile. The 'One Mouse Per Child' project is a broad spectrum of experiments in the education space around games for learning using Single Display Groupware and multiple mice, a collaborative learning of activities which improve the way resources can be used in under-resourced schools and foster personalised learning with individual feedback." (Source: Future Shock: 25 Education trends post COVID-19)

"In China, 120 mn Chinese got access to learning material through live television broadcasts." "With 5G technology becoming more prevalent, we will see learners and solution providers truly embracing the 'learning anywhere, anytime' concept of digital education in a range of formats. Traditional in-person classroom learning will be complemented with new learning modalities - from live broadcasts to 'educational influencers' to virtual reality experiences. Learning could become a habit that is integrated into daily routines - a true lifestyle."



MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average. The Great Lockdown, as a result of the pandemic COVID-19, is projected to shrink the global growth significantly starting from the calendar year 2020.

(Source: World Economic Outlook, April, 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global growth over the years

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

Indian economic review

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of US\$ 2.94 trn. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY 2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY 2018-19.

A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January, 2019. Retail inflation climbed to a sixyear high of 7.35% in December, 2019.

The government moderated the corporate tax rate to 22% from 25%; it announced a new tax

rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%. During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities.

Y-o-Y growth of the Indian economy

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Real GDP growth (%)	8.3	7	6.1	4.2

Growth of the Indian economy, FY 2019-20

	Q1, FY 2019-20	Q2, FY 2019-20	Q3, FY 2019-20	Q4, FY 2019-20	
Real GDP growth (%)	5.2	4.4	4.1	3.1	
(Source: Economic Times, CSO, Economic Survey, IME EILI)					

(Source: Economic Times, CSO, Economic Survey, IMF, EIU)

Global IT industry overview

Global IT spending was estimated at US\$ 3.7 trn in 2019, an increase of 0.4% from 2018. IT spending growth is driven by increasing cloud spending. The United States is the largest tech market in the world, accounting for 32% of the total of global IT industry. However the majority of technology spending (68%) occurs beyond the US border. Western Europe remained a significant contributor, accounting for approximately one of every five technology dollars spent worldwide. China also established as a major player in the global tech market. Emerging technologies currently account for only 17% of the overall global revenue.

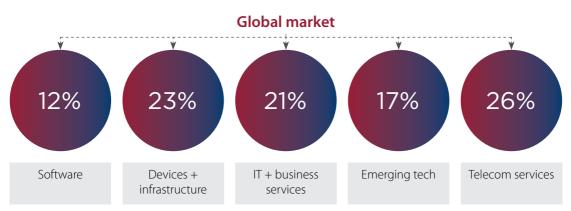
The growth of the Asia Pacific tech market is expected to decline to 4% in 2020.China was expected to spend US\$ 256 bn on tech goods and services in 2019, cementing its position as the region's largest tech market, while India is the fastest-growing. Japan stood second with US\$ 198 bn in tech spending, followed by India with tech spending of ~ US\$ 70 bn. China and Japan dominate the Asia Pacific tech market with about a 60% combined share.

The coronavirus pandemic led to a global slowdown. While the actual impact of COVID-19 on market will be evident by middle of 2020, a slowdown is expected in terms of discretionary IT spending, contract renewals and new deals. Existing project executions would also be impacted due to travel restrictions in some places.

(Source: Comptia, Gartner, forrester.com)

Global IT spending (in US\$ bn)

2017	2018	2019
181	192	205
369	405	457
665	689	675
931	987	1,031
1,392	1,425	1,364
3,539	3,699	3,732
	181 369 665 931 1,392	181 192 369 405 665 689 931 987 1,392 1,425



(Source: Comptia)

Global hardware and peripherals industry overview

Computer peripheral includes devices such as a mouse, monitor, keyboard, scanner, and printer that connect to a computer system to add functionality. Computer peripherals are most often used for office and personal work. The computer hardware market is expected to reach a value of nearly US\$ 370.33 bn by 2022, significantly growing at a CAGR of 5.1% between 2019-2022, driven by growth of emerging markets, increasing data volume and technology development. Asia Pacific was the largest region in the global computer hardware market, accounted for 37% in 2018, followed by Western Europe accounted for 27% of the global computer hardware market.

The global computer peripherals industry comprises residential and commercial. The commercial segment was the largest accounted for more than 50% of the global computer peripherals market in 2018. The global gaming peripheral was estimated to be pegged at US\$ 4.1 bn in 2019 (2.1% year-on-year growth).

(Source: Business wire, EIN news, Tech Sci research)

Global gaming industry overview

The global gaming industry was pegged at US\$152.1 bn in 2019, an increase of 9.6% over 2018. With the rapid growth in recent years, the industry has attracted a number of investments and mergers & acquisitions. Asia Pacific region dominates with a share of 47% of the global gaming market. The revenue from the games market in the Asia Pacific region amounted to US\$ 72.2 bn in 2019. This was more than double the revenue of the North American gaming market. Within the Asia Pacific region, China, Japan, and South Korea led the gaming markets. North America and Europe accounted for 24.85% and 21.78% respectively. Mobile gaming (smartphone and tablet) remained the largest segment in 2019, growing at 10.2% year on

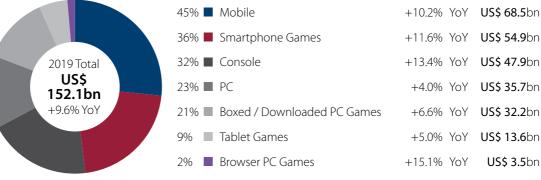
year to US\$ 68.5 bn accounting for 45% of the global games market. Smartphone games generated US\$ 54.9 bn revenues. PC gaming segment increased at 4.0% year on year to US\$ 35.7 bn in 2019.

In 2019, the US overtook China as the world's largest gaming market by revenues. The US games market generated US\$ 36.9 bn in 2019, driven by its 13.9% growth in console game revenues. Console accounted for more than 50% of the total games market in the US, generating US\$ 18.5 bn.

Console was the fastest-growing segment, growing at 13.4% yearon-year to US\$ 47.9 bn in 2019. There are more than 2.5 bn active gamers across the world and it was estimated that they spent US\$ 152.1 bn on games in 2019, representing an increase of 9.6% year-on-year. Mobile gaming is projected to generate revenues of US\$ 95.4 bn in 2022 and account for almost half of the global games market. This will be driven predominantly by smartphones, with revenues of US\$ 79.7 bn by 2022. Although mobile is still the world's fastestgrowing game market segment, growth is slowing in mature markets such as North America, Western Europe, and Japan. Emerging markets, including Southeast Asia, India, and Middle East & North Africa is expected to contribute most to the segment's growth.

(Source: Statista, Market Watch, newszoo.com)

Global gaming market, 2019



(Source: ©Newzoo | Global Games Market Report newzoo.com/globalgamesreport)

Global ERP software market overview

The Global ERP software market size was pegged at US\$ 35.81 bn in 2018. The ERP market has grown rapidly over the past decade with providers introducing enterprise-wide solutions. Rise in need for operational efficiency & transparency in business processes, increase in adoption of cloud & mobile applications, and surge in demand for data-driven decision-making are the prime factors that drive the growth of the global ERP software market catalysed the demand.

The global ERP software market is analysed across various regions such as North America, Europe, Asia-Pacific, and LAMEA. The Europe market is expected to witness a CAGR of 9.7% during (2019-2025). The market across the Asia-Pacific region is expected to manifest the fastest CAGR of 13.2% through 2026, owing to an increase in new manufacturing setups in the region. However, the market across the North American region dominated the market, contributing to more than one-third of the market.

Cloud-based ERP is gaining immense traction across end-user industries owing to the lower upfront costs and implementation time. Cloud-based ERP provides various business benefits including process alignment and business consistency across an organisation. It also enables accessing of applications by users, employees, and partners from any place and eliminates the need for a dedicated IT support team for maintenance and update of the software. Such benefits of cloud-ERP are expected to boost its demand and adoption, thereby fueling the growth of the ERP software market.

(Source: PR News wire, Global News wire)

Global ecommerce industry overview

Global ecommerce sales amounted to US\$ 3.53 trn in 2019 compared to US\$ 2.93 trn in 2018. Global retail sales through all channels were estimated at US\$ 21.00 trn in 2019 compared to US\$ 20.31 trn in 2018. Ecommerce penetration has steadily been on the rise with online share of retail spends registering 10.5% in 2016, 12.3% in 2017, 14.4% in 2018 and 16.0% in 2019.

Asia-Pacific led the global ecommerce growth in 2019 and was estimated to register 25% growth to reach US\$ 2.271 trn, accounted for 64.3% of global ecommerce spending. Latin America and Middle East/ Africa maintained year-over-year growth of 21.3% while North America grew at 14.5% and Western Europe at 10.2%. In 2019, China was the leading global ecommerce market with US\$ 1.935 trn ecommerce sales, three times more than the US with US\$ 586.92 bn.

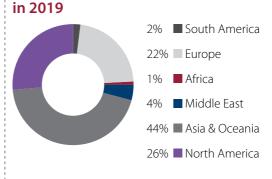
One of the most important prerequisites for ecommerce is a functioning internet connection. Europe has the highest internet penetration rate (85%) in 2019, followed by North America (84%) and the Middle East (78%). However Asia/Oceania had 53% internet penetration, indicating headroom for growth. B2C ecommerce revenues were estimated at US\$ 2 trn in 2019. Asia/Oceania accounted for 44% of global B2C sales. In 2019 1.92 bn people shopped online.

(Source: Statista, Digital Commerce360)

Retail ecommerce sales growth worldwide, by region, 2019

Asia-Pacific	25.0%
Latin America	
Middle East & Africa	21.3%
Central & Eastern Europe	19.4%
North America	14.5%
Western Europe	10.2%
Worldwide	
(Source: E marketer)	

Regional share of ecommerce turnover



(Source: E-marketer)

Top 10 countries, ranked by retail ecommerce sales, 2018 and 2019

bn and % changes

	2018 (US\$ bn)	2019 (US\$ bn)	% changes
1. China*	1,520.10	1,934.78	27.3
2. US	514.84	586.92	14.0
3. UK	127.98	141.93	10.9
4. Japan	110.96	115.40	4.0
5. South Korea	87.60	103.48	18.1
6. Germany	75.93	81.85	7.8
7. France	62.27	69.43	11.5
8. Canada	41.12	49.80	21.1
9. India	34.91	46.05	31.9
10. Russia	22.68	26.92	18.7

(Source: E-marketer)

Indian IT-BPM sector overview

IT-BPM sector in India pegged at US\$ 177 bn in 2019, registering 6.1% year-on-year growth. IT-BPM industry was the largest contributor to the total exports of the country, with 45% of the IT-BPM services being exported in 2018. Indian IT industry comprises more than 17,000 companies. India's cost competitiveness lies in providing IT services which is ~ 3-4 times more cost effective than US. India's IT industry contributed 8% to the country's GDP and is expected to contribute 10% of India's GDP by 2025.

The total export revenue of the Indian information technology industry amounted to US\$ 130 bn in 2019. IT industry employed 4.1 mn people in 2019.

India's highly qualified talent pool of technical graduates is one of the largest in the world, making it as a preferred destination for outsourcing, computer science and information technology majorly accounts for India's fresh engineering talent pool, with more than 98% of the colleges offering this stream.

(Source: IBEF, Invest India, Statista)

Demand drivers for Indian IT industry

Tech start-ups: India emerged as world's third largest start-ups ecosystem with total number of tech start-ups 8,900-9,300 including 1,300 start-ups being added this year. Domestic tech start-ups raised US\$ 14.5 bn in 2019 from US\$ 10.6 bn in 2018.

Leading sourcing destination:

India is the leading sourcing destination across the world, accounting for approximately 55% market share of the US\$ 185-190 bn global services sourcing business in FY 2018-19. India acquired a share of around 38% in the overall BPM sourcing market in FY 2018-19.

Policy support: The government intend to launch a national programme on Al* and setting

up of a National AI* portal. In February, 2019, the Government released the National Policy on Software Products 2019 to develop India as a software product nation.

Increasing incomes: The nominal per-capita net national income during FY 2019-20 is estimated at ₹1,35,050, a rise of 6.8% compared to ₹1,26,406 during FY 2018-19, in turn, driving consumption in the country.

Increasing urbanisation: 40% of India is estimated to reside in urban India by 2030 compared to 34% in 2019.

Mobile penetration: As of December, 2019, India's total smartphone user base grew to 50 crore, with around 40% of this user base hailing from rural India. Smartphone penetration in rural India has risen from 9% in 2015 to 25% in 2018. 97% of all internet users in India now accessed internet via mobile devices.

Low-cost data: India's mobile internet rate per GB is the lowest in the world. The average price of for one gigabyte (GB) in India is US\$ 0.26 compared to US\$ 6.66 in the UK and US\$ 12.37 for the same amount of data in the US.

Talent pool: NASSCOM has launched an online platform aimed at up-skilling over 2 mn technology professionals and skilling another 2 mn potential employees and students.

Digital exports: Export revenues from digital segment are expected to account for 38% of the industry's total export revenues.

(Source: Economic Times, Tech crunch, Business Standard)

Indian hardware and peripherals industry overview

The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 41.26 bn between April, 2000 and September, 2019 and ranks second in inflow of FDI, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

Despite major brands setting up their manufacturing bases in India, the personal computer/ laptop market in India is largely dependent on imports due to various concerns such as lack of incentives on domestic production and exports. India's PC penetration is only 15.53 PCs per 1,000 people, vis-a-vis 784 per 1,000 for USA and China at 40.88 per 1,000. For spurring demand for PCs in the country, there should be thrust on strengthening the manufacturing bases in India. Currently, the Indian market size for PCs is US\$ 5.5 bn, the bulk of which is catered to by imports, despite India having a domestic capacity of 6 mn units.

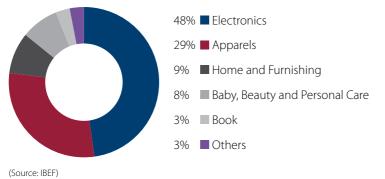
(Source: New Indian Express)

Indian ecommerce industry overview

The Indian ecommerce industry is expected to surpass the US to become the second largest ecommerce market in the world by 2034. The ecommerce industry in India was pegged at US\$ 32 bn in 2019. With advancements in quality of internet access, payments and computing on mobility platforms, changed consumer behaviour with a large active internet user base, customers have the ever increasing choice of products at the lowest rates by various retailers. Ecommerce is creating the biggest revolution in the retail industry, and this trend would continue in the years to come. Currently India's internet penetration stands at around 41%. Online sales in India accounted for 1.6% of total retail sales compared to over 15% for China and around 14% globally. Ecommerce is increasingly attracting customers from Tier 2 and 3 cities, where people have limited access to brands but have high aspirations.

(Source: Economic Times, yourstory.com, Live Mint)

Shares of various segments in ecommerce retail by value, 2019



Growth drivers for India ecommerce industry

Online shoppers: The number of online shoppers is expected to increase from current 15% to 50% of the online population by 2026.

Increasing internet users: India has more than 525 mn active internet users who are five years and above in 2019. With better connectivity, quality of service and affordability of mobile internet, there could be an increase in rural consumers spending more time on the internet in future. Moreover, India's monthly active internet user base is estimated to reach 639 mn by the end of December, 2020, owing to the COVID-19-induced lockdown that has forced people to stay indoors and glued to smartphones.

Internet penetration: Internet penetration in India stood at 41% compared to over 88% in US and 61% in China, indicating headroom for growth. However, India's rural areas are driving its digital revolution, with a 45% growth in internet penetration in 2019 as compared to urban India's 11%.

Coronavirus outbreak: The new decade is expected to see the next wave of digital India aided by the recent COVID-19 pandemic that has catalysed the speed at which the already connected consumer is getting further connected with devices, payments, e-medicine, etc.

Increasing smartphone users:

India had more than 502 mn smartphone users in 2019, which means over 77% of Indians are now accessing wireless broadband through smartphones.

(Source: Economic Times, Times of India, Statista, Live Mint)

Indian gaming industry overview

The Indian gaming industry was expected to reach ₹62 bn in 2019. Gaming has elevated from just a recreational activity to a new way of connecting with friends, for people across age groups. The evolution of digital and online gaming models is leading to a rise in the number of online gaming players over the last couple of years. With India having the world's largest youth population and second-largest internet population it makes the country one of the world's leading markets in the gaming sector. There are more than 22.2 crore gamers in India who spend an average of 42 minutes per day on mobile games. The mobile gaming segment dominated the gaming industry with 71% share, the growth is propelled by a rise in the population of the youth, higher disposable incomes, introduction of new gaming genres, and increasing users of smartphones and tablets.

The cyber cafe market currently is estimated to be around 3,000 in number, out of which 1,500 have more than five proper equipment for providing real gaming experience. There are more than 250 mn game developers in India, up 10X from 2010 when there were just 25 mn. India's online gaming industry pegged at US\$ 29 mn in 2016 and is expected to reach US\$ 1 bn by 2021 and will add 19 mn gamers. The increasing penetration of low-cost smartphones in rural and urban areas is driving the growth of the gaming industry.

(Source: Statista, dqindia.com, yourstory.com)

Indian ERP industry overview

The enterprise application spending in India (which includes spending on ERP) stood at US\$ 2.39 bn in 2017 from US\$ 2.04 bn in 2016, an increase of 17%. Over the last decade, the ERP market has fast evolved with vendors offering enterprise-wide solutions that have a wide range of functionality, can be integrated to other business solutions, and are scalable to growing business needs. Companies are also fast realizing the need of having enterprise resourcing planning (ERP) software in place. The software can help manage the day to day business activities such as accounting, sales, finance, procurement, planning, and supply chain operations. The demand for the cloud-based ERP application is expected to grow attractively as enterprises - large enterprises, medium enterprises & small enterprises - have started adopting technology for their operations.

(Source: Live Mint)

Company overview

Supertron Electronics Private Limited was incorporated in 1993 and has emerged as one of the leading Indian companies engaged in the distribution and marketing of IT products. Headquartered in Kolkata, Supertron enjoys a strong pan-India presence comprising 36 branch offices, 30 satellite offices and 60warehouses, manned by 600 employees across 24 states and three union territories, servicing a robust network of >10,000 retailers. The Company's product portfolio comprises desktops, laptops, external hard drives, flash drives, printers, servers, notebooks, PC components, peripherals, memory modules, storage devices, smartphones and consumer electronic products of prominent global brands.

Marketing: Supertron accelerated offtake through attractive marketing comprising promotional schemes and roadshows. The Company commissioned branch offices in Tier 2 and 3 geographies of India. The Company commissioned satellite offices manned by residential managers and elevated these to branch office status following the achievement of critical mass. During the year under review, the Company invested in marketing initiatives (above and below-the-line) like roadshows and awareness programmes.

Channel partnerships: The Company's extensive network of channel partners services demand by broadening the portfolio, leading to an increased customer base and enhanced revenues. The Company accesses periodic feedback from its channel partners to scale operations and forecast demand. Supertron forged longstanding relationships with channel partners, strengthening market responsiveness. Case in point: 80% of the Company's channel partners were involved with the

Company for five years or more. The Company's channel partners grew from 4,251 in FY 2014-15 to 10,856 in FY 2019-20.

Distribution: Supertron's distribution network covered >75% of India during the year under review. The Company provided principals with bestin-class processes backed by monthly business plans based on product and branch-specific sales targets. The Company mapped demand distribution, tracked shipments and intimated dealers about product deliveries. Supertron rationalised its inventory to ₹365 crore (37 days of sales equivalent) during the year under review.

ENTERPRISE BUSINESS

11

Revenues, ₹ crore, FY 2019-20

Overview

Supertron's enterprise solutions comprise networking and systems integration, hardware support and cloud computing, creating an insourced demand for hardware products and establishing the Company's respect as a solutions provider.

The Company's customised solutions empower enterprises to reduce their cost structures, enhance operational efficiency and increase productivity.

The Company is emerging as a preferred enterprise solutions provider on account of the use of credible branded products, dependable aftersales support and ethical business practices.

The Company reported revenues worth ₹11 crore from this vertical

75% Revenue growth, FY 2019-20

in FY 2019-20, a 75% growth over the previous year.

Supertron intends to enhance revenues from this business through the addition of products and solutions.

Our business

Enterprise Portfolio offerings

• Laptops, desktops and other components and peripherals of Acer, Dell and Lenovo

• End-to-end solutions and a range of products for corporates, enterprises and governmental agencies through its system integration partners

System integration offerings Boardroom utilities

- Samsung large format displays
- Barco Collaboration Management Suite

30%

Proportion of overall revenues, FY 2019-20

- Dell projectors
- Acer projectors

Networking solutions

- Ubiquiti Wi-Fi networking products
- TP-Link networking products

Storage solutions

- Seagate storage products
- LaCie storage products
- Synology network-attached storage solutions

• Samsung enterprise solid state drives

Security solutions

• Kaspersky Antivirus Solutions

ECOMMERCE BUSINESS

630

₹ crore, Revenues, FY 2019-20

Overview

There is a growing proportion of the offtake of IT products through ecommerce portals. This trend has created a growing need for timely deliveries of products to warehouses from where dispatches need to be made.

This business possesses large headroom: India's ecommerce revenues are expected to rise attractively in view of the growing convenience of

12% Revenue growth, FY 2019-20

buying online, availability of the complete product range, pricing transparency, superior bargains and back-to-back financing schemes.

The result is that as per one estimate, the Indian ecommerce industry is expected to surpass the US to emerge as the secondlargest ecommerce market by 2034.

The Company is engaged in supply chain management for 17% revenues, FY 2019-20

ecommerce giants like Amazon and Flipkart. It deepened its exclusive partnership with IT hardware brands like Dell, Seagate and Acer.

OUR DISTRIBUTION NETWORK

3.5 815 36 Branch offices Lakh square feet of warehousing space towns 30 >500 24 Number of satellite offices Number of employees presence

3 Number of Union Territories of presence Number of cities and

Number of States of

RISK MANAGEMENT

Economy risk	The Company's performance could be adversely affected in the event of economic slowdown.	Mitigation: India's economy slowed to 4.2% in FY 2019-20; yet the Company reported a 6% revenue increase, signifying the robustness of its business model.
Competition risk	Increased competition could affect profitability.	Mitigation: The Company has exclusive tie-ups with its suppliers of more than 70%.
Finance risk	Low availability of long-term funding at a competitive cost	Mitigation: The cash balance of the Company stood at ₹74.34 crore for FY 2019-20 as compared to ₹44.04 crore in previous year. During the year under review the Company optimised its debt-equity ratio from 0.68 in FY 2018-19 to 0.52, while the interest cover stood at a robust 2.02x as on 31st March, 2020.
Foreign exchange fluctuation risk	Currency volatility could significantly impact the profitability of the Company.	Mitigation: The Company manages the currency risk continuously by monitoring exposures and then undertook initiatives to negate the impact of the risk by proper hedging of forex exposure. Moreover, the Company hedges 50% of its imports, thereby minimizing risk associated with forex volatility.
Human resource risk	There is an urgent requirement of qualified and talented manpower to sustain business growth.	Mitigation: The Company's employee strength stood at 588 on 31st March, 2020 while its retention rate stood 95% during the year under review.

Financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations reported a 6% growth from ₹3,417 crore in FY 2018-19 to reach ₹3,620 crore in FY 2019-20. Other incomes of the Company reported a 64% growth and accounted for a 0.18% share of the Company's revenues reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company increased by 17% from ₹129.83 crore in FY 2018-19 to ₹151.86 crore due to some business promotion expenses. Raw material costs, accounting for a 95% share of the Company's revenues decreased by 6% from ₹3,247 crore in FY 2018-19 to ₹3,439 crore in FY 2019-20 owing to an increase in the operational scale of the Company. Employees expenses accounting for a 1.34% share of the Company's revenues increased by 34% from ₹36.25 crore in FY 2018-19 to ₹48.74 crore in FY 2019-20.

Analysis of the Balance Sheet Sources of funds

• The capital employed by the Company increased by 4% from ₹278 crore as on 31st March, 19 to ₹290 crore as on 31st March, 2020 owing to plough back of retained earnings. Return on capital employed, a measurement of returns derived from every rupee invested in the business decreased by 392 basis points from 29% in FY 2018-19 to 25% in FY 2019-20 due to change in mix of capital employed.

• The net worth of the Company increased by 16% from ₹165 crore as on 31st March, 2019 to ₹192 crore as on 31st March, 2020 owing to increase in reserves and surpluses. The Company's equity share capital comprising 1.05 equity shares of ₹10 each remained unchanged during the year under review.

• Long-term debt of the Company increased by 219% to ₹4.73 crore as on 31st March, 2020 owing to fresh borrowings from Promoter. Long-term debt-equity ratio of the Company stood at 0.52 in FY 2019-20 compared to 0.68 in FY 2018-19.

• Finance costs of the Company decreased by 1% from ₹37.23 crore in FY 2018-19 to ₹36.68 crore in FY 2019-20 following the repayment of liabilities. The Company's interest cover stood at a comfortable 2.02x in FY 2019-20 (2.20x in FY 2018-19).

Applications of funds

Fixed assets (gross) of the Company decreased by 1% from ₹9.85 crore as on 31st March, 2019 to ₹9.48 crore as on 31st March, 2020 owing to depreciation. Depreciation on tangible assets increased by 15% from ₹1.09 crore in FY 2018-19 to ₹1.26 crore in FY 2019-20 owing to an increase in fixed assets during the year under review.

Investments

Non-current investments of the Company reduced from ₹7.95 crore as on 31st March, 2019 to ₹8.05 crore as on 31st March, 2020.

Working capital management

• Current assets of the Company decreased by 14% from ₹1,157 crore as on 31st March, 2019 to ₹990 crore as on 31st March, 2020 owing to the lesser inventory. The current and quick ratios of the Company stood at 1.20 in FY 2019-20 compared to 1.14 in FY 2018-19.

 Inventories including raw materials, work-in-progress and finished goods among others decreased by 26% from ₹495 crore as on 31st March, 2019 to ₹365 crore as on 31st March, 2020 owing to an decrease in 130 crore. The inventory cycle improved from 45 days of turnover equivalent in FY 2018-19 to 37 days of turnover equivalent in FY 2019-20. • Growing business volumes resulted in an decrease of 9% in trade receivables from ₹522 crore as on 31st March, 2019 to ₹472 crore as on 31st March, 2020. More than 95% of the receivables were secured and considered good. The Company contained its debtor turnover cycle within 48 days of turnover equivalent in FY 2019-20 compared to 52 days in FY 2018-19.

• Cash and bank balances of the Company increased by 69% from ₹44.04 crore as on 31st March, 2019 to ₹74.34 crore as on 31st March, 2020

• Loans and advances made by the Company decreased by 20% from ₹93.97 crore as on 31st March, 2019 to ₹75.35 crore on account of reduction in statutory reserves.

Margins

The EBIDTA margin of the Company declined by 350 basis points from 2.40% in FY 2018-19 to 2.05% while the net profit margin of the Company stood at 0.75%.

Key numbers

Particulars	FY 2018-19	FY 2019-20
EBIDTA/Turnover (%)	2.40	2.05
EBIDTA/Net interest ratio	2.20	2.02
Debt-equity ratio	0.68	0.52
Return on equity (%)	17	14
Book value per share (₹)	157	183
Earnings per share (₹)	26.88	25.80
Debtors Turnover (days)	55	47
Inventory Turnover (days)	52	36
Interest Coverage Ratio (x)	2.2	2.02
Current Ratio (x)	1.14	1.20
Operating Profit Margin (%)	4.96	5.01
Net Profit Margin (%)	0.82	0.75

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Human resources and industrial relations

The Company believes that the quality of the employees

is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 588 as on 31st March, 2020.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

CORPORATE SOCIAL RESPONSIBILITY AT SUPERTRON



Annual cultural program of Supertron Foundation

Overview

Supertron Electronics Pvt Limited is a responsible corporate citizen. Over the years, the Company has been engaged in societal uplift (rural and urban) through Supertron Foundation. As an integral part of its values and culture, it believes in inclusive growth for all and is committed towards the economic development and social wellbeing of communities.

To achieve a greater Corporate Social Responsibility (CSR) impact, the Company's efforts are focused on projects comprising livelihood & women empowerment, health, education, art & culture, community development and social welfare for relevant target groups.

Commitment, FY 2019-20

The Company invested ₹34.50 lakh in CSR initiatives in FY 2019-20. In alignment with its vision, the Company, through its CSR initiatives, enhanced societal value through services, conduct and initiatives to promote development for the society and community at large, more specifically for the underprivileged. During the year under review, Supertron was given 'Company for Community' award by ASSOCHAM for setting up an empowerment centre for underprivileged children.

Education

Set up more than 40 computer empowerment centers (digital classroom) in private and government schools in and around Kolkata for marginalised children.

Distributed smart phones to marginalised students and children of vulnerable mothers

Health

Organised blood donation camps in and around Kolkata.

Art and culture preservation

Organised sports and cultural programmes to develop the children's physical and mental strengths

Livelihood development

Distributed cooked meals to the COVID-19-affected daily wage earners during the April-May 2020 lockdown in Kolkata.

Social welfare

Distributed sweets, cakes, clothes and firecrackers in major festivals (Diwali, Durga Puja and Christmas) to marginalised children.



Performance by Kolkata Sanved at the annual cultural programme of Supertron Foundation



Performance of differently-abled children of Behala Anwesha-The Quest at the annual cultural program of Supertron Foundation



Participants from underprivileged schools and NGOs at the annual sports of Supertron Foundation



Annual sports of Supertron Foundation



Annual sports of Supertron Foundation



Participants from underprivileged schools and NGOs at the annual sports of Supertron Foundation



SUPERTRON ELECTRONICS PRIVATE LIMITED

2, COOPER LANE, KOLKATA – 700001. CIN No U32109WB1993PTC058211

NOTICE

Notice is hereby given that the Twenty-Seventh Annual General Meeting of the shareholders of the Company will be held on Thursday, 29th October 2020 at its Registered Office at 2, Cooper Lane, Kolkata - 700001 at 11 A.M. 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 2020 together with the Reports of the Directors and the Independent Auditors and to pass the following resolution as an ordinary resolution: -

"Resolved that audited financial statements including Statement of Profit and Loss for the year ended 31st March 2020, the Balance Sheet as on that date, the annexures thereto, the Cash Flow Statement for the year ended on 31st March, 2020, the Reports of Independent Auditors and Directors thereon be and are hereby received and adopted."

2. To declare Final Dividend and to consider and it thought fit to pass with or without modifications the following resolution as an ordinary resolution: -

"Resolved that a final Dividend of ₹0.75 per share out of current profits of the Company for the year ended 31st March 2020 amounting to ₹78,70,200/- be declared and paid."

3 To Confirm appointment of Auditors M/s D. K. Chhajer & Co Chartered Accountant Registration No.304138E to office as Auditor of the Company upto the conclusion of the forthcoming Annual General Meeting and are eligible for re appointment.

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s D. K. Chhajer & Co., ICAI Registration Number 304138E, be and are hereby re-appointed as the Statutory Auditors of the Company and they will hold office from the conclusion of the 26th Annual General Meeting until the conclusion of the forthcoming Annual General Meeting on such remuneration as may be approved by the Board."

Place: Kolkata Dated: 30th September, 2020 (Raju Chandak) Company Secretary ACS-18070

NOTES:

- 1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a member. The Proxies should, however, be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- 2. The Register of Members and Transfer Books of the Company will remain closed from 29th October 2020 to 31st October 2020 (both days inclusive) for the purpose of Dividend payment.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR 2019-2020

То

The Members,

Your directors have pleasure in presenting their 27th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

Financial Highlights

During the year under review, the Company has been able to make a satisfactory performance; a brief break up of the same is given as under:

				(₹ in crore)
Particulars	Standa	lone	Consolidated	
	31st March	31st March	31st March	31st March
	2020	2019	2020	2019
Turnover	3615.79	3412.31	3620.66	3417.00
Other Income	6.54	4.00	6.56	4.00
Profit before finance charges, Tax, Depreciation/	74.05	81.84	74.25	81.98
Amortization				
Less: finance Charges	36.68	37.24	36.68	37.23
Profit before Tax, Depreciation/Amortization	37.37	44.60	37.57	44.75
Less: Depreciation	1.26	1.09	1.26	1.09
Net Profit before Taxation	36.11	43.51	36.31	43.66
Provision for Taxation	9.22	15.44	9.23	15.46
Profit/(Loss) after tax	26.89	28.05	27.08	28.20
Provision for proposed dividend	0.79	0.79	0.79	0.79
Dividend Tax	0.16	0.16	0.16	0.16
Transfer to General Reserves	2.00	2.00	2.00	2.00
Carried to Balance Sheet (incl. Brought Forward)	147.85	123.91	148.16	124.02
Earnings per share (Basic & Diluted)	25.62	26.74	25.80	26.88

Business Performance

During the year the Company has recorded a turnover of ₹3615.79 crore as compared to ₹3412.31 crore, reporting an increase of 5.96% over the previous year. The Company's profit before taxation for the year was ₹43.51crore as against ₹37.82 crore in the previous year. The decline in profit is attributed to outbreak of Pandemic Covid 19 at the fag end of financial year and weak market and economic sentiments persisted throughout the year. On consolidated level, the Company has reported revenue of about ₹3620.66 crore against ₹3417.00 crore in the previous year. Profit after tax marginally declined from ₹28.20 crore to ₹27.08 crore against the previous year. Overall the last fiscal was challenging year in terms of weak market sentiments and outbreak of Covid 19.

Change in Nature of Business

There is no change in the nature of business of the Company and its geography as well. The Company is operating in India and Singapore only.

Dividend

Your Directors recommend a dividend @ ₹0.75 per share i.e. 7.5% for the year on the enhanced capital as compared to ₹0.75 per share during the previous year. The dividend on approval by members will absorb ₹78.70 lakh subject to TDS in force at the time of payment under section 194 of Income Tax Act 1961.

Amounts Transferred to Reserves

The Company has transferred to ₹2.00 crore to General Reserve as compared to ₹2.00 crore in the previous year.

Business Strategy

Our Company is one of the leading distribution company in India engaged in the distribution of IT hardware, peripherals and allied services. Your Company's focused business was to cater mainly the Consumer Business Segment of the industry in the past, however looking at the opportunities the Company tied up with various brands to cater the Commercial Business Segment during the year. The Company is also taking steps to increase its footprint more deeper into the rural area by targeting more and more smaller towns and taluks to increase its Channel Partner base. These strategies will help your Company to further strengthen and deepen its presence and its hold on business.

Prospects

The IT industry continued to witness a subdued market as well as marred by the pandemic Covid 19 during the financial year 2019-20. However, your Company was able to record a decent growth of 6% despite all challenges. The companies' initiatives of creating different verticals to cater different segment of the industry were paid off and the Company was able to sustain its growth path. The Company's further initiative to go deeper in the rural market as well as focusing more on the commercial business segment will help the Company to continue its growth momentum. Apart from this the Company is tying up with new brands for their distribution rights as well existing brands for increasing the geography or product profile or customer segment. The Company is confident that it will maintain its growth during forthcoming years as well and outperform industry.

Product Diversification

IT distribution business is always driven by new products, latest technology and new brands. The Company is regularly increasing it product baskets by new tie ups. In this direction the Company has tied up with Silicon Power for memory products, Pelco for Surveillance Cameras, Harman for AV Products, GnG for Toner and Cartridge, Cybernetyx for Interactive Classroom solutions, ZeeVee for AV Routing and Switching Solutions, Kaspersky for data security software. Apart from these the Company is in discussion with certain other brands as well for their distribution rights. The Company is also entrusted by Dell its largest supplier by opening up new territories. With such a vast product basket with diversified products the Company is confident that this will add value proposition to the business and help not only in boosting the topline but also in strengthening its bottomline.

Geographical Diversification

The Company has not opened any Branch during the current Financial year keeping in view the subdued market conditions and to control its cost. The Company intends to focus on optimizing all resources by way of adopting technological and digital ways of doing business.

The Company is in process of developing a CRM tool for enhancing and engaging more and deep with the customer. We are also developing an online platform to percolate the information about the products and inventory to customer by way of Online Platform.

Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report.

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report. Further, there has been no change in the nature of business of the Company.

Director's Responsibility Statement

To the best of knowledge and belief and according to information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in preparation of the Annual Accounts for the year ended 31st March, 2020 the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as 31st March, 2020 and of the profit of the Company for the year ended on that date;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that annual accounts have been prepared on a 'going concern' basis;
- 5) that the Directors have laid down financial controls

to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

6) that the Directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditor

The Company has proposed to re-appoint M/s D K Chhajer & Co. as Statutory Auditor of the Company, having Firm Registration Number: -304138E subject to approval of Shareholders in ensuing AGM for a period of one year to hold office until conclusion of ensuing Annual General Meeting on terms and conditions and remunerations as decided by Board.

Auditors Observations

There are no qualifications or adverse remarks in the Auditors Report which require any clarification/ explanation. The Notes to Accounts forming part of the financial statements are self-explanatory and needs no further explanation.

Conservation Of Energy, Technology Absorption & Foreign Exchange Earnings And Outgo

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020 is given below:

- (A) Conservation of Energy Does not apply to the Company.
- (B) Technology Absorption Does not apply to the Company.
- (C) Foreign Exchange Earnings and Outgo -

During the year under review the total Foreign Exchange Inflow was ₹53.89 crore (Previous Year ₹6.32 crore) and Outflow was ₹69.15 lakh (Previous Year ₹78.38 lakh) on account of foreign travel & Other Reasons and ₹855.41 crore (Previous Year ₹901.74 crore) on account of imports during the year under review.

Insurance and Risk Management

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which considered necessary by the management. The Company has insured its receivables as well against credit risk of counterparties.

Corporate Social Responsibility

"Our Policy is to provide Education, Nourishment,

Health and Shelter to the Children, Youth and Elderly of underprivileged of our society, irrespective of their Caste, Creed and Religion. Our Policy also focuses on providing clean environment, undertake animal welfare measures and enhance green vegetation."

SEPL has been undertaking various social to initiatives help needy and under privileged sections of the society right from its inception.

The Company has been working closely with following NGOs and focusing on the education, health and welfare of children, youth and elderly. We have provided support to following organizations during the FY 2019-20

1) Supertron Foundation, Kolkata

The Company has spent and provided for CSR during the year 2019-20 was ₹78,28,126. /-against stipulated requirement. -The details of CSR Policy and Spends are specified in Annexure "A".

Particulars of Contracts Or Arrangements Made With Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 186 is furnished in clause (c) of Note 27 to the Financial Statements for the year ended 31st March, 2020.

Particulars of Loans, Guarantees or Investments Made Under Section 186 Of The Companies Act, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

Company's Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of Their Duties

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Annual Return

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

Particulars of Employees

No employee draws Remuneration in excess of the limits provided in the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016. Rule 5(2) of the said Rules state that the Board's Report shall include a statement showing the names of top ten employees in terms of Remuneration drawn and the name of every employee, who, if employed throughout the financial year, was in receipt of Remuneration for that year, which, in the aggregate, was not less than ` 102 lakh and if employed, for part of the financial year, was in receipt of Remuneration for any part of that year, at a rate which, in the aggregate, was not less than ` 8.50 lakh per annum.

The Particulars of employees as required under section 197 and rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 have been furnished in Annexure "C".

Number of Board Meetings

During the Financial Year 2019-20, 12 meetings of the Board of Directors of the Company were held.

Details of Subsidiary, Joint Venture or Associates

The Company has one Subsidiary Company namely Supertron Singapore Pte Ltd is a Wholly Owned Subsidiary Company of the Company. In accordance with Section 129 (3) of the Companies Act 2013, a statement containing salient features of the financial statements of the subsidiary company in form AOC-1 is appended as Annexure A to the Boards Reports.

Details of significant & material orders passed by the regulators or courts or tribunal

There is no order passed by authorities which impacts the going concern status and Company's operations in future.

Deposits

The Company has not accepted deposits of any nature.

Secretarial Audit Report

The provisions relating to Secretarial Audit Report is not applicable to this Company.

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

The Company has NIL case filed under Sexual Harassment of women at workplace (Prevention, Prohibition Redressed) Act, 2013.

Fraud Reporting (Required by Companies Amendment Bill, 2014)

There are no cases of fraud by or against the Company.

GENERAL

Your Directors states that no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future and that there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Cost Auditors

The provisions relating to appointment of Cost Auditor is not applicable to this Company.

Acknowledgment

The Directors express their sincere appreciation to the valued shareholders, bankers, suppliers, employees and clients for their support.

For and on behalf of the Board of Directors

Place : Kolkata Date : 30th September, 2020 **Vishnu Kumar Bhandari** *Director* DIN No - 176658 Nirmal Kumar Meharia Director DIN No – 03152656

ANNEXURE 'A' TO BOARD'S REPORT

SUPERTRON CSR POLICY

A brief outline of Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:

The Company's Corporate Social Responsibility (CSR) policy encompasses the Company's philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the welfare & sustainable development of the community at large. In alignment with its vision, the Company, through its CSR initiatives, strives to create and enhance value in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth and development and welfare for the society and community at large, more specifically for the deprived and underprivileged persons.

The main objective of the policy is to establish and lay down the basic principles and the general framework of action for the Company to undertake and fulfill its corporate social responsibility. The policy functions as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms. In brief, the policy provides inter alia, the following:

- a. CSR Activities identified are related to the activities included in the Companies Act,2013 (the Act) and the Companies (CSR policy Rules) 2014 and exclude the activities undertaken in the normal course of business as well as exclude project or programs or activities that benefit only the employees of the Company and their families.
- b. CSR Activities may be through a registered trust or a registered society or a company established by the company under section 8 of the Act or directly by the Company, subject to provisions in the Act and the CSR Rules.
- c. The Company may also collaborate with other Companies for undertaking projects or programs for CSR activities in such manner as provided.
- d. CSR expenditure shall include all expenditure including contribution to corpus, for projects

or programs relating to CSR activities but does not include any expenditure on an item not in conformity with the CSR policy.

- e. CSR expenditure of at least 2% of the average net profit of the Company made during the 3 immediately preceding financial years in pursuance of CSR policy.
- f. Expenditure on building CSR Capacities, including expenditure on administrative overheads shall not exceed 5(five) percentage of the total CSR expenditure of the Company in a financial year.
- g. CSR expenditure excludes any amount contributed, directly or indirectly to any political party u/s 182 of the Act.
- h. any surplus arising out of the CSR project or programs or activities shall not form part of the business profit of the Company.
- i. Monitoring and feedback process.
- j. The activities that can be undertaken by a Company to fulfill its CSR obligations include eradicating hunger, poverty and malnutrition, promoting preventive healthcare, promoting education and promoting gender equality, setting up homes for women, orphans and the senior citizens, measures for reducing inequalities faced by socially and economically backward groups, ensuring environmental sustainability and ecological balance, animal welfare, protection of national heritage and art and culture, measures for the benefit of armed forces veterans, war widows and their dependents, training to promote rural, nationally recognized, Paralympics or Olympic sports, contribution to the prime minister's national relief fund or any other fund set up by the Central Government for socio economic development and relief and welfare of SC, ST, OBCs, minorities and women, contributions or funds provided to technology incubators located within academic institutions approved by the Central Government and rural development projects

The policy is available on the Company's website at (http://:supertronindia.com)

Committee:
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As on 31 st March, 2020, the corporate Social Responsibility (CSR) Committee of the Board comprises of Mr. V.K. Bhandari and Mr. Nirmal Kumar Meharia.

Details of CSR activities/projects undertaken during the year: -

10	Sector	Socio Economic Inequality
6	State	West Bengal
8	Amount Spent direct or through implementing agency	Through Trust
7	Cumulative expenditure up to the reporting period	3450000
9	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	78,28,126
5	Amount outlay (budget project or wise	34,50,000
4	Projects or programme (1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Local
m	Sector in which the project is covered	Social Welfare
2	CSR project or activity identified	Supertron foundation
-	v, S	-

* Out of which ₹34,50,000/- has been paid and ₹43,73,126/- has been provided for

(**1** ₹)

ANNEXURE 'B' TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U32109WB1993PTC058211
2	Registration Date	23/03/93
3	Name of the Company	SUPERTRON ELECTRONICS PRIVATE LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
		INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact	2, COOPER LANE, KOLKATA - 700 001,
	details	Mr. Nirmal Kumar Meharia, 033-40371000
6	Whether listed company	NO
7	Name, Address & contact details of the	NOT APPLICABLE
	Registrar & Transfer Agent, if any.	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Wholesale of Computers, computer peripherals equipment and software	4561	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Supertron Singapore Pte. Ltd, Singapore	Nil	Subsidiary		

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of S	hares held at [As on 31-M		ne year	No. of S	% Change during the			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	year
A. Promoters									
(1) Indian									
a) Individual/HUF		47,90,225	47,90,225	45.65%		47,90,225	47,90,225	45.65%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%

Descent(d) Bodies Corp.(e) Banks / FI(f) Any otherSub Total (A) (1)(a) NRI Individuals(b) Other Individuals(c) Bodies Corp.(d) Any otherSub Total (A) (2)TOTAL (A)B. Public Shareholding(1. Institutions(a) Mutual Funds(b) Banks / FI(c) Central Govt(d) State Govt(s)(e) Venture Capital Funds(f) Insurance Companies(g) FIIs(h) Foreign Venture Capital Funds(a) Others (specify)Sub-total (B)(1):-2. Non-Institutions(a) Bodies Corp.	emat	Physical			No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the	
 e) Banks / FI f) Any other Sub Total (A) (1) a) NRI Individuals b) Other Individuals c) Bodies Corp. d) Any other Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds j) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	year	
 f) Any other Sub Total (A) (1) a) NRI Individuals b) Other Individuals c) Bodies Corp. d) Any other Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 		42,89,000	42,89,000	40.87%		42,89,000	42,89,000	40.87%	0.00%	
Sub Total (A) (1) a) NRI Individuals b) Other Individuals c) Bodies Corp. d) Any other Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions			-	0.00%			-	0.00%	0.00%	
 a) NRI Individuals b) Other Individuals c) Bodies Corp. d) Any other Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			-	0.00%			-	0.00%	0.00%	
 b) Other Individuals c) Bodies Corp. d) Any other Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 	-	90,79,225	90,79,225	86.52%	-	90,79,225	90,79,225	86.52%	0.00%	
 c) Bodies Corp. d) Any other Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FlIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			-	0.00%			-	0.00%	0.00%	
 d) Any other Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FlIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			-	0.00%			-	0.00%	0.00%	
Sub Total (A) (2) TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) Flls h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions			-	0.00%			-	0.00%	0.00%	
TOTAL (A) B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) Flls h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions			-	0.00%			-	0.00%	0.00%	
 B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 	-	-	-	0.00%	-	-	-	0.00%	0.00%	
 Institutions Mutual Funds Banks / Fl Central Govt State Govt(s) Venture Capital Funds Insurance Companies FlIs Foreign Venture Capital Funds Others (specify) Sub-total (B)(1):- Non-Institutions 	-	90,79,225	90,79,225	86.52%	-	90,79,225	90,79,225	86.52%	0.00%	
 a) Mutual Funds b) Banks / Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) Flls h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 										
 b) Banks / Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) Flls h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 										
 c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) Flls h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			-	0.00%			-	0.00%	0.00%	
 d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FlIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			-	0.00%			-	0.00%	0.00%	
 e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			-	0.00%			-	0.00%	0.00%	
Funds f) Insurance Companies g) Flls h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions			-	0.00%			-	0.00%	0.00%	
Companies g) Flls h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions			-	0.00%			-	0.00%	0.00%	
 h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 			-	0.00%			-	0.00%	0.00%	
Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions			-	0.00%			-	0.00%	0.00%	
Sub-total (B)(1):- 2. Non-Institutions			-	0.00%			-	0.00%	0.00%	
2. Non-Institutions		-	-	0.00%		-	-	0.00%	0.00%	
	-	-	-	0.00%	-	-	-	0.00%	0.00%	
a) Bodies Corp.										
i) Indian		14,14,375	14,14,375	13.48%		14,14,375	14,14,375	13.48%	0.00%	
ii) Overseas		-	-	0.00%		-	-	0.00%	0.00%	
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹1 lakh		-	-	0.00%		-	-	0.00%	0.00%	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh		-	-	0.00%		-	-	0.00%	0.00%	
c) Others (specify)										
Non Resident Indians		-	-	0.00%		-	-	0.00%	0.00%	
Overseas Corporate Bodies		-	-	0.00%		-	-	0.00%	0.00%	
Foreign Nationals		-	-	0.00%		-	-	0.00%	0.00%	
Clearing Members		-	-	0.00%		-	-	0.00%	0.00%	
Trusts		-	-	0.00%		-	-	0.00%	0.00%	
Foreign Bodies - D R		-	-	0.00%		-	-	0.00%	0.00%	
Sub-total (B)(2):-	-	14,14,375	14,14,375	13.48%	-	14,14,375	14,14,375	13.48%	0.00%	
Total Public (B)	-	14,14,375	14,14,375	13.48%	-	14,14,375	14,14,375	13.48%	0.00%	
C. Shares held by Custodian for GDRs & ADRs		-	-	0.00%				0.00%	0.00%	
Grand Total (A+B+C)	-	1 04 02 600	1,04,93,600	100.00%		1 04 93 600	1,04,93,600	100.00%	0.00%	

(ii) Shareholding of Promoter

S.	Shareholder's Name	Shareholding	at the beginni	ng of the year	Shareholdi	ng at the end		% change in
No.		No. of Shares	% of total Shares of the Company	Pledged/	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	shareholding during the year
1	VISHNU KUMAR BHANDARI- DIRECTOR	18,39,600	17.53%	0	18,39,600	17.53%	0	0.00%
2	NIRMALA DEVI SOMANI	500	0.00%	0	500	0.00%	0	0.00%
3	DEEPAK BHANDARI - DIRECTOR	7,67,000	7.31%	0	7,67,000	7.31%	0	0.00%
4	SHOBHA BHANDARI	3,70,400	3.53%	0	3,70,400	3.53%	0	0.00%
5	GAYATRI DEVI BHANDARI	13,750	0.13%	0	13,750	0.13%	0	0.00%
6	MADHUR BHANDARI	9,375	0.09%	0	9,375	0.09%	0	0.00%
7	IVORY FINVEST LTD.	12,69,000	12.09%	0	12,69,000	12.09%	0	0.00%
8	RAJ BHANDARI	250	0.00%	0	250	0.00%	0	0.00%
9	RUCHIR BHANDARI	7,00,250	6.67%	0	7,00,250	6.67%	0	0.00%
10	BHAGWANI DEVI BHANDARI	250	0.00%	0	250	0.00%	0	0.00%
11	R.G. TRADERS PVT. LTD.	7,50,000	7.15%	0	7,50,000	7.15%	0	0.00%
12	VISHNU KUMAR BHANDARI (HUF)	9,09,750	8.67%	0	9,09,750	8.67%	0	0.00%
13	M K DISTRIBUTORS PVT. LTD.	8,39,000	8.00%	0	8,39,000	8.00%	0	0.00%
14	PROGRESSIVE VINIMAY PVT. LTD.	14,31,000	13.64%	0	14,31,000	13.64%	0	0.00%
15	MANOHAR LAL BHANDARI	8,000	0.08%	0	8000	0.08%	0	0.00%
16	NUPUR BHANDARI	31,000	0.30%	0	31,000	0.30%	0	0.00%
17	SHIVANI RAHUL SOMANI	100	0.00%	0	100	0.00%	0	0.00%
18	VIPUL BHANDARI	1,40,000	1.33%	0	1,40,000	1.33%	0	0.00%
	Total	90,79,225	86.52%	0	90,79,225	86.52%	0	0.00%

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	PROGRESSIVE VINIMAY PVT. LTD.						
	At the beginning of the year			14,31,000	13.64%	14,31,000	13.64%
	Changes during the year			-	0.00%	14,31,000	13.64%
	At the end of the year			14,31,000	13.64%		
2	M K DISTRIBUTORS PVT. LTD.						
	At the beginning of the year			8,39,000	8.00%	8,39,000	8.00%
	Changes during the year				0.00%	8,39,000	8.00%
	At the end of the year			8,39,000	8.00%		

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholdi beginning o	5	Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	SUPERCOMP ELECTRONICS PVT. LTD.						
	At the beginning of the year			8,76,250	8.35%	8,76,250	8.35%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			8,76,250	8.36%	8,76,250	8.35%
2	SWARNIM ENGINEERING WORKS PVT. LTD.						
	At the beginning of the year			5,28,125	5.03%	5,28,125	5.03%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			5,28,125	5.04%	5,28,125	5.03%
3	KARMAYOGI SECURITES PVT. LTD.						
	At the beginning of the year			10,000	0.10%	10,000	0.10%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			10,000	0.10%	10,000	0.10%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholdii beginning o	5	Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	Vishnu Kumar Bhandari						
	At the beginning of the year			18,39,600	17.53%	18,39,600	17.53%
	Changes during the year			-	0.00%	18,39,600	17.53%
	Transfer during the year			-	0.00%	18,39,600	17.53%
	At the end of the year			18,39,600	17.53%	-	
2	Deepak Bhandari						
	At the beginning of the year			7,67,000	7.31%	7,67,000	7.31%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			7,67,000	7.31%	7,67,000	7.31%

V. INDEBTEDNESS: At the beginning of year

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

				(Amount in ₹)
Particulars	Secured Loans	Unsecured	Deposits	Total
	excluding	Loans		Indebtedness
	deposits			
Indebtedness at the beginning of the financial				
year				
i) Principal Amount	1,06,55,62,794	6,87,00,000	-	1,13,42,62,794
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,06,55,62,794	6,87,00,000	-	1,13,42,62,794
Change in Indebtedness during the financial year				
* Addition			-	-
* Reduction	11,48,98,808	2,64,50,000	-	14,13,48,808
Net Change	11,48,98,808	2,64,50,000	-	14,13,48,808
Indebtedness at the end of the financial year				
i) Principal Amount	95,06,63,986	4,22,50,000	-	99,29,13,986
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	95,06,63,986	4,22,50,000	-	99,29,13,986

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

S. No.	Particulars of Remuneration	Name of MD/W	TD/ Manager	Total Amount (₹)
	Name :	Vibhor Agarwal	Deepak Bhandari	
	Designation :	Director Marketing	Director Sale	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,20,000	32,28,166	62,48,166
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	Total (A)	30,20,000	32,28,166	62,48,166
	Ceiling as per the Act			

B. Remuneration to other Directors: NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of	sonnel	Total Amount (₹)	
	Name :	Vishnu Kumar Bhandari	Nirmal Kumar Meharia	Raju Chandak	
	Designation :	CEO	CFO	CS	
1	Gross salary	3,24,40,000	23,70,480	24,42,240	3,72,52,720
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total (A)	3,24,40,000	23,70,480	24,42,240	3,72,52,720

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Тур	e	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Α.	COMPANY					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
В.	DIRECTORS					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil

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The Particulars of employees as required under section 197 and rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

(≵ UI)	any	ie is	f any	and	e of	ctor			
	Whether any	employee is	relative of any	Director and	if so name of	such Director	No		
	% of Equity	hold					17.5		
	Last	employment	held before	joining			Sujata Data	Products Pvt.	Ltd.
	Age						61		
	Date of	commencement	of employment				23/03/93		
	Experience						39		
	Qualification						B.Sc		
	Nature of	Employment	whether	contractual or	otherwise		Contractual		
	Designation Remuneration Nature of	Received in ₹ Employment					3,24,40,000		
	Designation						Vishnu Kumar CEO & Director		
	S. No. Name						Vishnu Kumar	Bhandari	
	S. No.						-		

Independent Auditor's Report

To the Members of Supertron Electronics Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Supertron Electronics Private Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and notes to Standalone Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 27 (i) to the financial statement which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which

a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our report is not modified in respect of this matter.

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

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

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

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

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Responsibility of Management and Those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified

under Section 133 of the Act. 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Standalone 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, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the "Annexure A" 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the accompanying Standalone
 Financial Statements comply with the
 Accounting Standards specified under
 Section 133 of the Act, read with Rule 7 of the
 Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on 31 March 2020, and taken on record by the Board of Directors, none of the directors is disqualified

as on 31 March 2020, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report, section 197(16) of the Act, regarding Managerial Remuneration, is not applicable to the Company, since it is Private Limited Company.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 27(b) to the Standalone Financial Statements;
 - ii. The Company did not have any longterm contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company does not have any amount to be transferred to the Investor Education and Protection Fund.

For D. K. Chhajer & Co. Chartered Accountants Firm Registration No. 304138E

Niraj Kumar Jhunjhunwala Partner Place: Kolkata Membership No. 057170 Date: 7th August 2020 UDIN: 200570170AAAAEL5567

Annexure A to 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 SUPERTRON ELECTRONICS PRIVATE LIMITED on the Standalone Financial Statements for the year ended March 31, 2020.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management in accordance with phased programme of verification adopted by the management which, in our opinion provides for physical verification at reasonable intervals and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the Company except the following-

Total No. of Cases	3
Whether leasehold/	Freehold
Freehold	
Gross Block	₹59.76 lakh
(as at Balance Sheet Date)	
Net Block	₹52.63 lakh
(as at Balance sheet date)	

- ii. The physical verification of inventories has been conducted at reasonable intervals by the Management and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties covered in

the register maintained under Section 189 of the Act. Therefore, the provisions of Clause (iii)[(a), (b) and (c)] of the said Order are not applicable to the Company and hence not commented upon.

- iv. The Company has complied with the provisions of section 185 and 186 of the Act in respect of the loans and investments made. The Company has not given any guarantees or provided any security.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the provision of clause 3(v) of the order is not applicable on the Company.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act.
- vii. a) The Company is regular in depositing the undisputed statutory dues, including provident fund, Employees' State Insurance, Income tax, Goods and Service tax, Customs Duty, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income-tax, service tax, sales tax, duties of Custom, duty of Excise, Value Added Tax, which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Amount (₹ In lakh)*	Period to which the amount relates	Forum where dispute is pending
The Custom Act, 1962	Custom Duty	7.51	FY 2006-07	CESTAT, Kolkata
		0.84	FY 2002-03	DC, DEPB, Kolkata
		4.85	FY 2010-11	Addl Comm. Customs
Income Tax act, 1961	Fringe	1.05	FY 2006-07	DCIT, Kolkata
	Benefit Tax			
Kerala VAT ACT	VAT	1.7	FY 2010-11	High Court, Kerala
Orissa VAT ACT, 2004	VAT	33.39	FY 2012-13	JCIT, Bhubaneshwar
CST (Orissa) Rules, 1957	CST	29.99	& 2013-14	
Orissa Entry Tax, 1999	Entry Tax	5.7		

Name of the Statute	Nature of Dues	Amount (₹ In lakh)*	Period to which the amount relates	Forum where dispute is pending
Rajasthan VAT Act, 2003	VAT	63.02	FY 2009-10	Rajasthan Tax Board, Ajmer
Telangana VAT Act, 2005	VAT	152.31	FY 2014-15 & 2015- 16	CIT (Appeal), Secunderabad
Karnataka VAT Act,	VAT	187.90	FY 2016-17	High Court, Karnataka

*Net of deposits as applicable

- viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution or banks as at the balance sheet date. The Company has neither issued any debentures nor has taken any loans or borrowings from the Government as at the balance sheet date.
- ix. The Company has not raised any money by way of initial public offer/further public offer (including debt instruments) during the year. However, the Company has applied money raised by way of Term Loan for the purpose for which it was raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information & explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. As the Company is registered as Private Limited Company, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
- xii. As the Company is not a Nidhi Company. Accordingly, the provisions of Paragraph 3(xii) of the Order are not applicable.
- xiii. All the transactions with related parties are in

compliance with Section 177 and 188 of the Act and has been properly disclosed in the Financial Statements as required by the applicable Accounting Standards.

- xiv. No money was raised through preferential allotment/private placements of shares/fully/partly convertible debentures during the year under review, hence, the provisions of clause 3(xiv) of the said order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provision of clause 3(xvi) are not applicable to the Company.

For D. K. Chhajer & Co. Chartered Accountants Firm Registration No. 304138E

Niraj Kumar Jhunjhunwala

	Partner
Place: Kolkata	Membership No. 057170
Date: 7th August 2020	UDIN: 200570170AAAAEL5567

Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Supertron Electronics Private Limited

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

We have audited the internal financial controls over financial reporting of Supertron Electronics Private Limited ("the Company") as at 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, read with impact of Covid- 19 stated in Emphasis of Matter paragraph in Independent Auditor's Report an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

> For D. K. Chhajer & Co. Chartered Accountants Firm Registration No. 304138E

Niraj Kumar Jhunjhunwala

Partner Place: Kolkata Membership No. 057170 Date: 7th August 2020 UDIN: 200570170AAAAEL5567

Standalone Balance Sheet as at 31st March, 2020

			Amount in ₹
Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	10,49,36,000	10,49,36,000
(b) Reserves and Surplus	3	1,80,91,60,899	1,54,97,54,884
Total (A)		1,91,40,96,899	1,65,46,90,884
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	4,73,68,340	1,48,71,461
(b) Long Term Provisions	5	1,61,29,464	1,60,66,492
Total (B)		6,34,97,804	3,09,37,953
(3) Current Liabilities			
(a) Short-Term Borrowings	6	94,22,80,548	1,11,64,99,561
(b) Trade Payables	7		
- Outstanding to micro and small enterprises		-	-
- Outstanding to other than micro and small		7,07,98,04,548	8,81,59,26,982
enterprises			
(c) Other Current Liabilities	8	25,78,81,112	18,58,58,833
(d) Short-Term Provisions	9	-	1,60,35,641
Total (C)		8,27,99,66,208	10,13,43,21,017
Total (A+B+C)		10,25,75,60,911	11,81,99,49,854
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	10	9,37,38,215	9,67,29,222
(b) Intangible Assets	10	11,27,050	18,47,088
(c) Non-current investments	11	8,06,02,466	7,96,02,466
(d) Deferred Tax Assets (Net)	12	65,93,352	38,00,534
(e) Long Term Loans and Advances	13	2,76,03,733	2,80,78,671
(f) Other Non Current Assets	14	15,17,46,940	4,01,83,181
Total (D)		36,14,11,756	25,02,41,162
(2) Current Assets			
(a) Inventories	15	3,65,10,00,922	4,95,35,29,102
(b) Trade Receivables	16	4,74,13,28,502	5,22,49,83,506
(c) Cash and Bank Balances	17	73,97,39,134	44,01,22,662
(d) Short-term loans and advances	18	74,18,61,334	93,75,50,383
(e) Other Current Assets	19	2,22,19,263	1,35,23,039
Total (E)		9,89,61,49,155	11,56,97,08,692
Total (D+E)		10,25,75,60,911	11,81,99,49,854
Significant Accounting Policies	1		
Additional Notes to Accounts	27		

As per our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala *Partner* Membership No. : 057170

Place: Kolkata Date: 7th Aug,2020 For and on behalf of the Board

V.K. Bhandari Chief Executive Officer & Director DIN 00176658

Raju Chandak Company Secretary ACS 18070 N.K. Meharia Chief Financial Officer & Director DIN 03152656

Standalone Statement of Profit and Loss for the year ended 31st March, 2020

	Amount in ₹			
Par	ticulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
Ι.	Revenue from operations (Gross)	20	36,15,78,61,041	34,12,31,02,915
II.	Other Income	21	6,54,48,861	3,99,98,507
III.	Total Revenue (I +II)		36,22,33,09,902	34,16,31,01,422
IV.	Expenses:			
	Purchases of Stock-in-Trade	22	33,04,14,57,287	33,82,96,42,483
	Changes in inventories of Stock-in-trade	23	1,30,25,28,180	(1,39,96,16,061)
	Employee Benefit Expense	24	48,74,28,210	36,25,01,325
	Finance Costs	25	36,68,15,666	37,23,79,474
	Depreciation and Amortization Expense	10	1,25,69,713	1,09,12,140
	Other Expenses	26	65,14,09,706	55,22,28,335
	Total Expenses		35,86,22,08,762	33,72,80,47,696
V	Profit before tax (III - IV)		36,11,01,140	43,50,53,726
VI	Tax expense:			
	Current tax		9,50,00,000	15,70,00,000
	Deferred tax		(27,92,818)	(29,66,022)
	Tax in respect of earlier years		-	4,49,003
VII	Profit for the year (V-VI)		26,88,93,958	28,05,70,745
VIII	Earning per equity share of ₹10 each	27(g)		
	Basic & Diluted		25.62	26.74
	Significant Accounting Policies	1		
	Additional Notes to Accounts	27		

As per our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala *Partner* Membership No. : 057170

Place: Kolkata Date: 7th Aug,2020 For and on behalf of the Board

V.K. Bhandari Chief Executive Officer & Director DIN 00176658

Raju Chandak

ACS 18070

Company Secretary

N.K. Meharia

Chief Financial Officer & Director DIN 03152656

Standalone Cash Flow Statement for the year ended 31st March, 2020

			Amount in '000
Pa	rticulars	For the year ended	For the year ended
		31.03.2020	31.03.2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	3,61,101	4,35,054
	Adjustments for:		
	Depreciation and Amortisation expense	12,570	10,912
	Profit on Sale of Fixed Asset	(724)	
	Provision for Doubtful Debts	2,000	2,500
	Interest Income	(38,381)	(30,327)
	Finance Costs	3,66,816	3,72,379
	Operating Profit before working capital changes	7,03,381	7,90,519
	Adjustments for:		
	(Increase)/Decrease in Trade and other receivables	4,81,655	(7,03,815)
	(Increase)/Decrease in Inventories	13,02,528	(13,99,616)
	(Increase)/Decrease in Other Current Assets	-	7,252
	(Increase)/Decrease in Other Non Current Assets	(1,81,050)	1,53,757
	(Increase)/Decrease in Loans & Advances	475	(2,92,618)
	Increase/(Decrease in Trade Payables	(17,36,122)	18,03,003
	Increase/(Decrease) in Current Liabilities	72,022	46,411
	Increase/(Decrease) in Provisions	(15,973)	13,031
	Cash generated from Operations	6,26,917	4,17,923
	Direct Taxes paid	1,70,174	(1,51,682)
	Net Cash from Operating Activities	7,97,090	2,66,241
Β.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase/Sale of fixed assets (Net)	(8,134)	(14,160)
	Purchase of Investment	(1,000)	(53)
	Interest received	29,685	30,327
	Net Cash (used in)/from Investing Activities	20,551	16,114
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend Paid	(9,487)	(9,487)
	Proceeds from Issue of Share Capital	-	-
	Proceeds from Borrowings (Net)	(1,41,722)	55,746
	Finance Costs	(3,66,816)	(3,72,379)
	Net Cash (used in)/from Financing Activities	(5,18,025)	(3,26,120)
	t (decrease)/increase in cash and cash equivalents (A+B+C)	2,99,617	(43,766)
	sh and Bank Balances at beginning of the year	4,40,122	4,83,888
Ca	sh and Bank Balances at end of the year (Refer Note 17)	7,39,739	4,40,122

Notes:

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on 'Cash Flow Statements'.

As per our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala *Partner* Membership No. : 057170

Place: Kolkata Date: 7th Aug,2020 For and on behalf of the Board

V.K. Bhandari Chief Executive Officer & Director DIN 00176658 N.K. Meharia Chief Financial Officer & Director DIN 03152656

Raju Chandak *Company Secretary* ACS 18070

CORPORATE INFORMATION

Supertron Electronics Private Limited "the Company" is a private company incorporated on 23rd March 1993 domiciled in India. The Company is engaged in distribution of Information Technology and Telecommunication products with pan India presence.

1. SIGNIFICANT ACCOUNTING POLICIES: -

(a) BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules 2014, as amended, and relevant provisions of the Companies Act, 2013 to the extent notified.

(b) FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

(c) USE OF ESTIMATES

The preparation of the financial statements in conformity with the Accounting Standards generally accepted in India requires the management to make estimates, judgements and assumptions that affects the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of the current events and actions, actual results could differ from the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(d) Current and Non- Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current–non current classification of assets and liabilities.

(e) PROPERTY, PLANT & EQUIPMENT

All Properties, Plant & Equipments are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses. The cost of assets comprises its purchase price net of recoverable taxes plus directly attributable costs of bringing the assets to the working condition for its intended use. Subsequent expenditures related to an item of Plant Property & Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Gains and losses arising from the disposal of Plant Property & Equipment are recognized in the Statement of Profit and Loss.

Depreciation on Property, Plant and Equipment is provided under the Straight Line Method (SLM) at the rates determined based on the useful life of the respective assets and residual values in accordance with Schedule III of the Companies Act, 2013.

Depreciation on Plant Property & Equipment added / disposed off during the year is provided on pro rata basis with reference to the date of addition / disposal.

(f) INTANGIBLE ASSETS

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets. Intangible Assets are stated at cost less accumulated amortization and cumulative impairment losses, if any.

Computer software is amortized over a period of three years.

(g) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets up to the date such assets are ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Other

borrowing costs are recognized as expenses in the period in which they are incurred.

(h) INVESTMENTS

Current Investments are stated at lower of cost and fair value. Long-Term Investments are stated at cost; Provision for diminution, if any, in the value of long-term investment is made only if such a decline is other than temporary. Gain / Losses on disposal of Investments are recognized as income / expenditure.

(i) INVENTORIES

- i) Closing Stock: -At cost or net realizable value whichever is lower. The Cost is computed on FIFO basis.
- ii) Obsolete/rejected items: -Nil/Estimated realizable value.
- iii) Cost includes purchase price, freight, custom duty (excluding Additional duty of Customs & Custom duty refundable), clearing & forwarding charges in case of imported goods whereas it includes only invoice value less GST if any, in case of domestic purchases.

(j) FOREIGN CURRENCY TRANSACTIONS

Initial Recognition

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of transaction.

Subsequent Recognition

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

Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated into the functional currency at the exchange rates prevailing on the reporting date. Non-monetary items are translated using the exchange rates prevailing on the transaction date, subsequently measured at historical cost and not retranslated at period end. The resultant translation differences, if any, are recognized in the Statement of Profit and Loss.

(k) DERIVATIVE INSTRUMENTS

The Company uses forward exchange contracts to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitment. In respect of forward exchange contracts with the underlying transactions, the premium or discount arising at the inception of such contracts is amortised as expense or income over the life of contract. Other forward exchange contracts outstanding on the Balance Sheet date are marked to market and in case of gain/loss the same is provided for in the financial statement. Any profit and loss arising on the cancellation of forward exchange contracts are recognized as income or expense for the period.

(I) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Revenue from sale of goods is recognized upon passage of title which generally coincides with delivery of material to the customers. The Company collects GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenues. Sales figures are net of rebates and discounts.
- ii) Revenue from services are recognized pro-rata as and when the services are rendered. The Company collects GST on behalf of the Government and therefore, it is not and economic benefit flowing to the Company and hence excluded from revenue.

i) OTHER INCOME

- i) Dividend income is recognized when the Company's right to receive the payment is established by the Balance Sheet date.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.
- iii) Insurance and other claims are accounted for as and when accepted.

J) PURCHASES

Purchases are shown as net off discount received and foreign exchange gains/ losses on import of trading

goods but include purchase expenses like custom duty, clearing charges, freight, interest on import purchases, etc.

(k) EMPLOYEE BENEFITS

1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amounted in the period in which employee services are rendered.

2. Post-employment benefits

Defined Contribution Plans

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the Company recognizes contribution payable to the Provident Fund Scheme as expenditure when an employee renders the related services.

The Company has no obligation other than contribution payable to the respective funds.

Defined Benefit Plans

Gratuity Liability being a defined benefit obligation, is required for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Company treats accumulated leaves expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for on the actuarial valuation using the projected unit credit method at the end of each financial year. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(I) TAXATION ON INCOME

Income tax expense comprises current tax and deferred tax.

- i. Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws.
- ii. Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. Such assets are reviewed as at each Balance Sheet date to reassess the realizability thereof. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- iii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefit in the form of tax credit against future income tax liability, is recognised in the Balance Sheet if there is convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(m) EARNINGS PER SHARE

Basic Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

(n) PROVISIONS & CONTINGENCIES

Provision are recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the liabilities can be made.

Contingent Liabilities are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

Contingent Assets are neither recognised, nor disclosed.

2. Share Capital		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Authorised		
1,50,00,000 (Previous year 1,50,00,000) Equity Shares of ₹10/- each.	15,00,00,000	15,00,00,000
Issued,Subscribed and Fully Paid Up		
1,04,93,600 (Previous year 1,04,93,600) Equity Shares of ₹10/- each.	10,49,36,000	10,49,36,000
	10,49,36,000	10,49,36,000
2.1 Reconciliation of number of shares Outstanding:		
Particulars	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	1,04,93,600	1,04,93,600
Add: Shares issued during the year	-	-
Shares outstanding at the end of the year	1,04,93,600	1,04,93,600

2.2 Terms/Rights attached to Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

- **2.3** There are no fully paid up equity shares pursuant to a contract nor any Bonus shares have been issued during the period of 5 years immediately preceding 31st March 2020.
- 2.4 During the year ended 31st March, 2020, the Company has proposed final dividend of ₹0.75 per share (31st March, 2019 ₹0.75 per share) subject to approval of members in the ensuing Annual General Meeting.

2.5 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31.03.2020		As at 31	.03.2019
	No. of Shares	% Held	No. of Shares	% Held
Vishnu Kumar Bhandari	18,39,600	17.53%	18,39,600	17.53%
Progressive Vinimay Pvt. Ltd	14,31,000	13.64%	14,31,000	13.64%
Ivory Finvest Ltd	12,69,000	12.09%	12,69,000	12.09%
Supercomp Electronics Pvt. Ltd	8,76,250	8.35%	8,76,250	8.35%
Vishnu Kumar Bhandari (HUF)	9,09,750	8.67%	9,09,750	8.67%
M K Distributors Pvt. Ltd	8,39,000	8.00%	8,39,000	8.00%
Deepak Bhandari	7,67,000	7.31%	7,67,000	7.31%
R.G. Traders Pvt. Ltd	7,50,000	7.15%	7,50,000	7.15%
Ruchir Bhandari	7,00,250	6.67%	7,00,250	6.67%
Swarnim Engineering Works Pvt. Ltd	5,28,125	5.03%	5,28,125	5.03%

3. Reserve & Surplus		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Capital Reserve (As per last financials)	3,40,793	3,40,793
Securities Premium (As per last financials)	18,68,59,625	18,68,59,625
General Reserve		
At the Beginning of the year	12,35,00,000	10,35,00,000
Add: Transferred from Surplus	2,00,00,000	2,00,00,000
At the end of the year	14,35,00,000	12,35,00,000
Surplus in the Statement of Profit and Loss		
At the Beginning of the year	1,23,90,54,466	98,79,71,664
Add: Profit for the year	26,88,93,958	28,05,70,745
	1,50,79,48,424	1,26,85,42,409
Less: Appropriations		
Transfer to General Reserve	2,00,00,000	2,00,00,000
Dividend to Equity Shareholders	94,87,943	94,87,943
At the end of the Year	1,47,84,60,481	1,23,90,54,466
	1,80,91,60,899	1,54,97,54,884

4. Long Term Borrowings		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
Vehicle loan		
HDFC Bank Limited	-	4,31,954
ICICI Bank Limited	15,91,691	29,31,279
HDFC Bank Limited	45,79,769	57,00,000
Daimler Services India Private Limited	22,11,978	-
Less: Current Maturities of vehicle loan (Refer Note No 9)	(32,65,098)	(28,91,772)
	51,18,340	61,71,461
Unsecured		
From a Body Corporate	35,00,000	87,00,000
From Directors & Shareholders	3,87,50,000	-
	4,73,68,340	1,48,71,461

4.1 Terms of Repayment of Term Loans & Other Loans

	ROI	EMI	Security by way of Hypothecation
HDFC Bank Limited	9.50%	55,894	Motor Car under HP Agreement
ICICI Bank Limited	9.36%	1,29,788	Motor Car under HP Agreement
HDFC Bank Limited	9.50%	1,19,321	Motor Car under HP Agreement
Daimler Services India PVt Ltd	6.56%	48,985	Motor Car under HP Agreement

4.2 Unsecured Loan from Promoters Group carry Interest Rate of 12-14%

5 Long Term Provisions

5. Long Term Provisions		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits	1,61,29,464	1,60,66,492
	1,61,29,464	1,60,66,492

6	Short ⁻	Term	Borro	vinas
0.	Short	i Ci i ii	DOITON	vings

6. Short Term Borrowings		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
Working capital loan*		
Cash Credit account with		
Karnataka Bank Ltd	23,73,61,793	28,40,15,365
State Bank of India	28,20,07,172	35,48,86,102
ICICI Bank Ltd	10,85,38,810	10,00,90,827
HDFC Bank	15,00,00,000	10,00,00,000
Union Bank of India	9,23,41,558	12,83,71,719
IDFC Bank Limited	7,20,31,215	8,91,35,548
	94,22,80,548	1,05,64,99,561
Unsecured		
Loan Repayable on Demand		
- From Bodies Corporate	-	6,00,00,000
	-	6,00,00,000
	94,22,80,548	1,11,64,99,561

*(Secured by way of equitable mortgage of immovable properties owned by the Company, Director & his relative and by two group Companies, hypothecation of Stocks and Book Debts, Receivables etc ranking pari pasu, Lien on Term Deposits and also personal guarantee of two directors and corporate guarantee of two group Companies. The working capital facilities having interest rate varying between 9.10% to 10% pa are payable on demand).

7. Trade Payables		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
MSME	-	-
Other than MSME	7,07,98,04,548	8,81,59,26,982
	7,07,98,04,548	8,81,59,26,982

7.1 The Company has compiled this information based on intimation received from the suppliers of goods of their status as Micro or Small Enterprises and/or its registration with appropriate authority under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act") & based thereupon the Company owes no money to any MSME suppliers of goods.

8. Other Current Liabilities		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Statutory Dues	69,34,012	1,47,49,965
Advance From Customers	12,16,39,533	5,53,26,892
Security Deposits	31,73,682	38,80,915
Current Maturities of Long term Borrowing (Refer Note No 4)	32,65,098	28,91,772
Other Payables	12,28,68,787	10,90,09,289
	25,78,81,112	18,58,58,833

8.1	Details relating to Micro, Small and Medium Enterprises:		Amount in ₹
Par	ticulars	As at 31.03.2020	As at 31.03.2019
1.	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	59,16,996	53,84,682
2.	the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
3.	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Development Act, 2006	-	-
4.	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of	-	-
	the Micro, Small and Medium Enterprises Development Act, 2006		

9. Short Term Provisions		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Tax (net of advance tax)	-	1,60,35,641
	-	1,60,35,641

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10.	10. Fixed Assets										Amount in ₹
Sr.	Sr. Particulars		Gross Block	3lock			Depreciation/Amortisation	Amortisation		Net Block	lock
٩		Balance as at	Addition	Deduction	Balance as at	Up to	For the year	Deduction	Up to	Balance as at	Balance as at
		01.04.2019	during the	during the	31.03.2020	01.04.2019		during the	31.03.2020	31.03.2020	31.03.2019
			year	year				year			
_	Tangible Assets										
	Building *	5,72,67,786		I	5,72,67,786	84,20,162	9,06,858	I	93,27,020	4,79,40,766	4,88,47,624
2	Plant and Equipment	6,09,340		I	6,09,340	4,31,963	36,898	I	4,68,861	1,40,479	1,77,377
m	Furnitures & Fixtures	2,97,86,695	7,68,700	I	3,05,55,395	1,41,08,324	23,64,742	I	1,64,73,066	1,40,82,329	1,56,78,371
4	Vehicles (Cars)	3,32,78,084	59,23,165	38,85,326	3,53,15,923	1,15,05,192	39,95,714	30,24,925	1,24,75,981	2,28,39,942	2,17,72,892
5	Office Equipment	1,75,33,662	9,04,525	I	1,84,38,187	1,06,89,513	25,53,192	I	1,32,42,705	51,95,482	68,44,149
9	Computer	1,24,34,852	21,22,679	1	1,45,57,531	90,26,043	19,92,271	1	1,10,18,314	35,39,217	34,08,809
	TOTAL (A)	15,09,10,419	97,19,069	38,85,326	15,67,44,162	5,41,81,197	1,18,49,675	30,24,925	6,30,05,947	9,37,38,215	9,67,29,222
	Previous Year's TOTAL(B)	13,82,09,193		I	13,82,09,193	4,39,44,119		I	4,39,44,119	9,42,65,074	9,42,65,074
=	Intangible Assets				I				I	I	I
-	Software	1,13,61,755	I	I	1,13,61,755	95,15,917	7,20,038	I	1,02,35,955	11,25,800	18,45,838
2	Patent & Trademark	25,000		1	25,000	23,750		I	23,750	1,250	1,250
	TOTAL (C)	1,13,86,755	1	I	1,13,86,755	95,39,667	7,20,038	I	1,02,59,705	11,27,050	18,47,088
	Previous Year's TOTAL(D)	99,27,411		I	99,27,411	88,64,605		I	88,64,605	10,62,806	10,62,806
	TOTAL (A+C)	16,22,97,174	97,19,069	38,85,326	16,81,30,917	6,37,20,864	1,25,69,713	30,24,925	7,32,65,652	9,48,65,265	9,85,76,310
	Previous Year's TOTAL (B+D)	14,81,36,604		ľ	14,81,36,604	5,28,08,724		I	5,28,08,724	9,53,27,880	9,53,27,880

*Title Deeds have not been executed in respect of flats purchased vide agreements for sale amounting to ₹59,76,000/-

11. Non Current Investment					Amount in ₹
Particulars	Face	No. of	Units	As at	As at
	Value	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Investment in Subsidiary					
- In Supertron Singapore Pte. Ltd.					
	SGD 1	999	999	53,466	53,466
Unquoted, Other than Trade					
 Investments in Government Securities (NSC VIII Issue) 					
- In Supertron Telecommunication Pvt. Ltd.				9,000	9,000
	₹10	4000	4,000	40,000	40,000
Quoted, Other than Trade					
-Investment in Mutual Fund					
SBI Short Term Debt Fund (under Lien)					
SBI Corporate Bond Fund (under Lien)	₹10	6,34,256	6,34,256	1,20,00,000	1,20,00,000
SBI Debt Fund Series (under Lien)	₹10	4,76,463	4,76,463	1,25,00,000	1,25,00,000
Bajaj Alliance Secure Gain Fund	₹10	55,00,000	55,00,000	5,50,00,000	5,50,00,000
	₹10	25,054	-	10,00,000	-
				8,06,02,466	7,96,02,466
Aggregate Market Value of Quoted Investments				9,55,85,024	8,73,97,108
Aggregate Cost of Quoted Investments				8,05,00,000	7,95,00,000
Aggregate Cost of Unquoted Investments				49,000	1,02,466

11.1 Investment in NSCs amounting to ₹9,000/- (Matured) held in the name of a director of the Company, are pledged with Sales Tax Department.

12. Deferred Tax		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liability		
Property, Plant and Equipment	(65,18,235)	(90,56,632)
Deferred Tax Asset		
Provision for Doubtful Debts	64,32,026	80,72,064
Provision on Employee Benefits	66,79,561	47,85,102
Deferred Tax Assets (Net)	65,93,352	38,00,534

13. Long Term Loans and Advances		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits -Rent and others	2,76,03,733	2,80,78,671
	2,76,03,733	2,80,78,671

14. Other Non Current Assets		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Deposits with Banks (Maturity beyond 12 months) (Under Lien with Banks. Refer Note No 17)	15,17,46,940	4,01,83,181
	15,17,46,940	4,01,83,181

15. Inventories		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Stock-in- Trade	3,65,10,00,922	4,95,35,29,102
	3,65,10,00,922	4,95,35,29,102

16.	Trade	Receivable	9

16. Trade Receivable		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured and Considered Good		
Oustanding for a period exceeding six months from the date they	10,32,83,407	9,30,87,330
become due		
Others	4,66,31,45,095	5,15,49,96,176
	4,76,64,28,502	5,24,80,83,506
Less: Provision made	2,51,00,000	2,31,00,000
	4,74,13,28,502	5,22,49,83,506

16.1 The Company has taken a Credit insurance Policy to secure its debtors during the year.

16.2 The Company has initiated legal proceedings against Sundry Debtors of ₹611.15 lakh (Previous year ₹514.22 lakh).

17. Cash & Bank Balances		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Cash and Cash Equivalent		
-Balances with Banks in Current Account	6,16,84,577	8,96,73,672
-Cash on hand	13,52,842	6,97,707
	6,30,37,419	9,03,71,379
Other Bank Balances		
-Deposits with Banks	82,84,48,655	38,99,34,464
Less: Deposits with Banks disclosed under Other Non-Current Assets	(15,17,46,940)	(4,01,83,181)
	67,67,01,715	34,97,51,283
	73,97,39,134	44,01,22,662

17.1 Deposit with Bank amounting to ₹62,64,48,655 is under lien (Previous year ₹38,99,34,464)

18. Short Terms Loans and Advances		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured and Considered Good)		
Advance to Subsidiary Company	26,25,500	26,25,500
Advance to Suppliers	5,73,92,014	4,10,97,067
Balance with Statutory Bodies	54,77,15,850	84,69,04,995
Additional duty of Customs (SAD) Refundable Account	2,09,29,565	2,24,83,619
Prepaid Expenses	1,15,05,239	1,70,74,173
Income Tax Receivable	7,67,22,861	21,20,923
Advance Recoverable in cash or in kind or for value to be received	36,15,055	27,81,174
Surplus in Gratuity Fund	-	24,62,932
Customs duty Refundable Claim	2,13,55,250	-
	74,18,61,334	93,75,50,383

18.1 Loan given to Supertron Singapore Pte. Ltd., wholly owned subsidiary, is interest free.

19. Other Current Assets		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured and Considered Good)		
Interest Accrued but not Due	2,22,19,263	1,35,23,039
	2,22,19,263	1,35,23,039
20. Revenue from Operations		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Sale of Goods and Services	31.03.2020 36,15,78,61,041	

Amount in ₹

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

21. Other Income		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Interest Income	3,83,81,362	3,03,26,725
Other Receipts	2,70,67,499	96,71,782
	6,54,48,861	3,99,98,507

22 Purchase of stock in trade

		Amount in C
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Purchase of Goods and Services	33,04,14,57,287	33,82,96,42,483
	33,04,14,57,287	33,82,96,42,483

22.1 Foreign exchange losses of ₹924.02 lakh (Previous year gain of ₹585.43 lakh) has been adjusted with Purchases.

23. Changes in Inventories of Stock in trade		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Opening Stock	4,95,35,29,102	3,55,39,13,041
Less : Closing Stock	3,65,10,00,922	4,95,35,29,102
	1,30,25,28,180	(1,39,96,16,061)

24 Employee Repetits expenses

24. Employee Benefits expenses		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Salaries, Wages and Bonus etc.	45,36,67,658	34,28,86,466
Contribution to provident and other funds	2,51,01,630	1,06,13,293
Staff welfare expenses	86,58,922	90,01,566
	48,74,28,210	36,25,01,325

24.1 Information in accordance with the requirements of the Accounting Standard-15 on 'Employee Benefits':

i. **Provident Fund**

The Company makes a contribution for Provident Fund towards defined contribution plans for eligible employees. During the year the Company has contributed ₹127,98,164/- (Previous Year ₹101,85,385/-) towards provident fund. Based on the Guidance Note on measurement of Provident Fund Liabilities from the Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund. Accordingly, there is no shortfall of interest required to be provided for as at 31st March, 2020 as well as in the previous year.

ii. **Employee State Insurance Scheme**

The Company makes contribution for Employee State Insurance (ESI) Scheme towards defined contribution plan. During the year the Company has contributed ₹14,67,677/- (Previous Year ₹20,67,059/-)

iii Gratuity

The Company's Gratuity Fund Scheme, a defined benefit plan, covers the eligible employees and is administered through gratuity fund trust. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employees salary and tenure of employment. Vesting occurs upon completion of five years of service. The present value of obligation net of fair value of plan assets is determined based on the actuarial valuation using the Projected Unit Credit Method at each Balance Sheet date.

The Company has already applied for registration of Supertron Employees Gratuity trust fund in Income Tax Department which is pending for consideration. The Company is contributing its gratuity liability on regular basis.

24.2 The following table sets forth the particular in respect of the Defined Benefit Plans of the Company

		Amount in ₹
I. TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	2019-20	2018-19
Present Value Of Benefit Obligation As At The Beginning Of The	2,32,70,468	2,44,56,800
Current Period		
Interest Cost	18,08,115	19,02,739
Current Service Cost	27,61,404	40,05,000
Past Service Cost	-	-
(Benefit Paid)	(22,54,441)	(4,90,870)
Actuarial (Gains)/Losses On Obligations	49,04,981	(66,03,201)
Present Value Of Benefit Obligation As At The End Of The Current Period	3,04,90,527	2,32,70,468
II. TABLE OF FAIR VALUE OF PLAN ASSETS:	2019-20	2018-19
Fair Value Of Plan Assets At The Beginning Of The Period	2,57,33,400	2,45,46,872
Expected Return On Plan Assets	19,99,485	19,09,747
Contributions		
(Benefit Paid)	(22,54,441)	(4,90,870)
Actuarial Gains/(Losses) On Plan Assets	(24,61,492)	(2,32,349)
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	2,30,16,952	2,57,33,400
III. TABLE OF RECOGNITION OF ACTUARIAL GAINS/LOSSES:	2019-20	2018-19
Actuarial (Gains)/Losses On Obligation For The Period	49,04,981	(66,03,201)
Actuarial (Gains)/Losses On Asset For The Period	24,61,492	2,32,349
Subtotal	73,66,473	(63,70,852)
ACTUARIAL (GAINS)/LOSSES RECOGNIZED IN STATEMENT OF	73,66,473	(63,70,852)
PROFIT AND LOSS		
IV. ACTUAL RETURN ON PLAN ASSETS:	2019-20	2018-19
Expected Return On Plan Assets Actuarial Gains/(Losses) On Plan	19,99,485	19,09,747
Assets		
Actuarial Gains/(Losses) On Plan Assets	(24,61,492)	(2,32,349)
ACTUAL RETURN ON PLAN ASSETS	(4,62,007)	16,77,398
V. RECONCILIATION OF NET ASSET/LIABILITY IN THE BALANCE SHEET	2019-20	2018-19
Fair Value Of Plan Assets At The End Of The Period	(3,04,90,527)	2,57,33,400
(Present Value Of Benefit Obligation As At The End Of The Period)	2,30,16,952	(2,32,70,468)
Funded Status	(74,73,575)	24,62,932
NET (LIABILITY)/ASSET RECOGNIZED IN THE BALANCE SHEET	(74,73,575)	24,62,932
VI. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:	2019-20	2018-19
Current Service Cost	27,61,404	40,05,000
Interest Cost	(1,91,370)	(7,008)
Past Service Cost	-	-
(Expected Return On Plan Assets)	-	-
Actuarial (Gains)/Losses	73,66,473	(63,70,852)
EXPENSE RECOGNIZED IN STATEMENT OF PROFIT AND LOSS	99,36,507	(23,72,860)
VII. BALANCE SHEET RECONCILIATION:	2019-20	2018-19
Opening Net Liability	(24,62,932)	(90,072)
Expense As Above	99,36,507	(23,72,860)
(Employer's Contribution)	-	-
NET LIABILITY/(ASSET) RECOGNIZED IN THE BALANCE SHEET	74,73,575	(24,62,932)
VIII. OTHER DETAILS:	2019-20	2018-19
No Of Members	588	625
Salary Per Month	93,12,011	75,63,506
Prescribed Contribution For Next Year (12 Months)	93,12,011	2,98,472

IX. CATEGORY OF ASSETS:	2019-20	2018-19
Insurer Managed Funds	2,30,16,952	2,57,33,400
TOTAL	2,30,16,952	2,57,33,400
X. EXPERIENCE ADJUSTMENT:	2019-20	2018-19
On Plan Liability (Gains)/Losses	25,30,428	(22,58,793)
On Plan Assets (Losses)/Gains	(24,61,492)	(2,32,349)
XI. ASSUMPTIONS:	2019-20	2018-19
Discount Rate	6.84%	7.77%
Rate Of Return On Plan Assets	6.84%	7.77%
Salary Escalation	6.00%	6.00%
Attrition Rate	4.00%	4.00%

25. Finance Costs

5. Finance Costs Amount ir		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Interest Expense	35,77,30,330	36,50,72,627
Other borrowing costs	90,85,336	73,06,847
	36,68,15,666	37,23,79,474

26. Other Expenses

26. Other Expenses		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Vehicle Expenses	23,69,074	22,92,219
Travelling Expenses	2,58,80,652	4,97,59,136
Repair & Maintenance Expense	78,37,641	36,07,299
Conveyance Expenses	98,67,585	1,11,21,750
Insurance Expenses	3,46,67,592	2,69,72,922
Freight and Handling charges	14,13,11,132	11,80,80,860
Professional and legal expenses	2,24,36,804	1,60,33,380
Electricity and Maintenance charges	48,89,514	50,36,784
Postage,Telephone,Fax and courier services etc	59,75,589	73,38,395
Commission paid	2,05,82,853	34,40,319
Auditors' Remuneration		
-Audit Fees	12,00,000	13,50,000
-Certification	1,00,000	2,00,000
-Tax Audit Fees	1,00,000	1,00,000
Rent Paid	7,68,16,511	6,91,14,085
Bad Debt written off	25,78,368	4,84,825
Provision for Doubtful Debts	20,00,000	25,00,000
Subcription and Membership Fees	16,88,277	6,18,240
Sales Tax Paid	30,90,402	19,77,668
Donation	20,001	4,88,101
Advertisement & Business Promotion	22,17,94,623	16,69,65,772
Consumable Stores	60,028	1,06,947
Loss on Currency Derivatives	-	82,30,768
Rates and Taxes	11,55,409	8,29,442
Office Maintenance	92,86,014	1,01,51,662
Printing & Stationery	64,08,048	50,37,682
Bank Charges	3,29,51,357	2,25,29,771
Corporate Social Responsibility Expenses (Refer Note No 27(a))	78,28,126	68,43,621
Miscellaneous Expenses	85,14,106	1,10,16,687
	65,14,09,706	55,22,28,335

27. Additional Informations and Disclosures

a) Corporate Social Responsibility

A Corporate Social Responsibility (CSR) committee has been formed by the Company as per provisions of Section 135 of the Companies Act, 2013. The areas for CSR activities is to provide Education, Nourishment, Health and Shelter to the Children, Youth and Elderly of underprivileged of our society. Disclosures of Corporate Social Responsibility expenditure are in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"

		Amount in ₹
Particulars	2019-20	2018-19
Amount of CSR expenditure to be incurred during the year	78,28,126	68,43,621
Amount of CSR expenditure spent during the year	34,50,000	30,00,000

The Company has incurred CSR expenditure through its Related Trust M/s Supertron Foundation during the financial year ending 31st March 2020 for social welfare cause.

b) Contingent Liabilities and Commitments (To The Extent Not Provided For):

-		Amount in lakh
Particulars	As at 31.03.2020	As at 31.03.2019
Contingent Liabilities:		
i) Claims against the Company/ disputed liabilities not		
acknowledged as debts:		
In respect of Sales Tax demand (in appeal filed in Karnataka	478.75	286.11
High court to be updated)		
In respect of Custom Duty Demand	13.20	13.20
In respect of Fringe Benefit Tax Demand	1.05	1.05
ii) Letters of Credit issued by Banks and Outstanding	-	286.36
iii) Bank Guarantees issued by Banks and Outstanding	4367.00	3669.00
Capital Commitments:		
Estimated amount of Contracts remaining to be executed on	36.00	36.00
Capital Account (net of advance)		

c) RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD 18:

i) Name of the Related parties and description of relationships -

I) Subsidiary Company

Supertron Electronics PTE Ltd.

II) Key Management Personnel

V.K.Bhandari – CEO and Director Vibhor Agarwal- Director Deepak Bhandari- Director Nirmal Kumar Meharia –CFO and Director

III) Relative of Key Management Personnel

Bhagwani Devi Bhandari Gayatri Devi Bhandari Nirmala Devi Somani Shobha Bhandari M.L.Bhandari Vishnu Kumar Bhandari (HUF) Nupur Bhandari Vipul Bhandari Madhur Bhandari Raj Bhandari Ruchir Bhandari Shivani Rahul Bhandari

Amount in ₹

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

27. Additional Informations and Disclosures (Contd.)

IV) Enterprises in which the Key Management Personnel and his relatives have substantial interest

Ivory Finvest Limited R. G. Traders Private Limited Supertron Telecommunications Private Limited M.K. Distributors Private Limited Supertron Infotech Private Limited Supertron Foundation

ii. Nature of Transactions:

Particulars	Key Management Personnel		Relative of Key Management Personnel		Enterprise the Key Ma Personr his relativ substantial	nagement nel and ves have interest (₹)
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Interest on loans	5,98,357	33,781	-	2,20,513	5,63,047	11,40,656
Rent Paid	2,49,480	2,49,480	15,74,220	15,74,220	-	-
Office Maintenance	-	-	1,65,340	-	-	-
Receiving of Services	4,10,58,646	5,10,78,880	44,17,037	50,36,300	-	-
Professional Services	-	-	-	-	72,000	-
Fees & Subscription	9,912	9,912	-	-	-	-
Dividend Paid	19,54,950	19,54,950	16,37,720	16,37,720	21,39,750	21,39,750
Sale of Goods	-	-	-	-	1,17,14,611	-
Loan Taken	3,90,00,000	-	-	-	-	-
Loan Repaid	2,50,000	-	-	-	52,00,000	-
Business Promotion	-	-	-	-	-	9,00,000
CSR Expenditure	-	-	-	-	78,28,126	68,43,621
Closing balance:						
Loan Taken	3,87,50,000	-	-	-	35,00,000	87,00,000
Investment in Subsidiary	-	-	-	-	53,466	53,466
Company						
Advances to Subsidiary	-	-	-	-	26,25,500	26,25,500
Company						
Debtors	-	-	-	-	1,17,14,611	-

iii. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

Sr No.	Particulars	Transaction 2019-20 (₹)	Transaction 2018-19 (₹)
1	Interest on Unsecured Loan:		
	Ivory Finvest Limited	5,63,047	11,40,656
	V. K. Bhandari	5,28,658	2,20,513
	Deepak Bhandari	69,699	-
2	Rent Paid		
	Sobha Bhandari	15,74,220	15,74,220
3	Office Maintenance		
	Sobha Bhandari	1,65,340	-
4	Fees & Subscription		
	V. K. Bhandari	9912	9912

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

27. Additional Informations and Disclosures (Contd.)

Sr No.	Particulars	Transaction 2019-20 (₹)	Transaction 2018-19 (₹)
5	Professional Services		
	Supertron Infotech Pvt. Ltd.	72000	-
6	Dividend:		
	Ivory Finvest Limited	9,51,750	9,51,750
	Deepak Bhandari	5,75,250	5,75,250
	V. K. Bhandari	13,79,700	13,79,700
	Vishnu Kumar Bhandari (HUF)	6,82,213	6,82,213
7	Receiving of Services:		
	V. K. Bhandari	3,24,40,000	3,99,40,000
8	Sale of goods		
	Supertron Electronics PTE Limited	1,17,14,611	-
9	CSR Expenditure		
	Supertron Foundation	34,50,000	30,00,000
10	Business Promotion		
	Supertron Electronics PTE Limited	-	9,00,000
	CLOSING BALANCE:		
	Investment in Subsidiary Company		
	Supertron Electronics PTE Limited	53,466	53,466
	Advance Given		
	Supertron Electronics PTE Limited	26,25,500	26,25,500
	Sundry Debtors		
	Supertron Electronics PTE Limited	1,17,14,611	-
FXPF	NDITURE IN FOREIGN CURRENCY:		
	iculars	2019-20	2018-19
	ign Travel	18,63,730	30,26,612
	essional/Consultancy Fees/Others	50,52,563	48,12,675
		2010.20	2010.10
	iculars	2019-20	2018-19
Imp	ort of Finished Goods	855,41,36,937	901,73,92,241
	EIGN EXCHANGE EARNINGS:		
	iculars	2019-20	2018-19
	ntives Receipt	53,89,65,534	6,32,08,502
Expo	ort of Goods (on FOB Basis)	1,20,45,389	82,24,167
EARN	NINGS PER SHARE:		
Part	iculars	2019-20	2018-19
Profi	it after tax available for Equity Shareholders (₹)	26,88,93,958	280,570,745
Weig	ghted average number of shares - outstanding	104,93,600	104,93,600
Earn	nings per share ₹	25.62	26.74

27. Additional Informations and Disclosures (Contd.)

- h) The Balances of trade receivables and trade payables are subject to confirmations from the parties. However the Company is getting the balances of Debtors and Creditors confirmed from time to time.
- i) The Company's sole business segment is Information, Communication & Technology Products, hence the need for separate disclosure as required under Accounting Standard 17 Segment Reporting is not applicable.
- j) The previous year's figures have been accordingly re-grouped/re-classified to conform to the current year's classification.
- k) On 20 September 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BBA in the Income Tax Act, 1961, which provides domestic companies an option to pay income tax at reduced rate effective 1 April 2019, subject to certain conditions. The management has decided to opt for this option, tax expense has been provided @ 25.17% (22% basis plus 10% surcharge plus 4% Cess).

In terms of our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala Partner Membership No.: 057170

Place: Kolkata Dated: 7th Aug,2020 V.K. Bhandari Chief Executive Officer & Director DIN 00176658

Raju Chandak *Company Secretary* ACS 18070 N.K. Meharia Chief Financial Officer & Director DIN 03152656

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Supertron Electronics Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of "Supertron Electronics Private Limited" ("the Holding Company ") and its subsidiary (collectively referred to as "the Company" or "the Group") which comprises the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and the Cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2020, profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 27 (n) to the financial statement which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent

period is highly dependent upon circumstances as they evolve.

Our report is not modified in respect of this matter.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibility of Management and Those charged with Governance for consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the consolidated Financial Statements

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

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

 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 consolidated 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.

Other Matter

We did not audit the financial statements of Supertron Electronics Pte Limited (Wholly Owned foreign subsidiary), whose financial statements reflect total assets of ₹1,83,02,171 as at 31st March, 2020, total revenues of ₹4,87,71,012 and net cash flows amounting to ₹36,76,913 for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements.

Report on Other Legal and Regulatory Requirements

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.
- In our opinion, proper books of account as required by law have been kept by the Holding Company and its subsidiary included in the group so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder.
- e. On the basis of the written representations received from the directors of the holding company and the reports of the statutory auditors of its subsidiary

company as on 31st March, 2020 taken, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report, section 197(16) of the Companies Act, 2013, regarding the Managerial Remuneration, is not applicable to the Company;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us::
 - The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group. – Refer Note 27(b) to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For D. K. Chhajer & Co. Chartered Accountants Firm Registration No. 304138E

Niraj Kumar Jhunjhunwala

Partner Membership No. 057170 Place: Kolkata UNIN No.20057170AAAAFX1788 Date: 30th September 2020

Annexure "A" to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Supertron Electronics Private Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of "Supertron Electronics Private Limited" ("the Company"). The Company has only one foreign subsidiary, it doesn't have any subsidiary company, jointly controlled company or associate company which are incorporated in India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of

India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on our 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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3)

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial **Controls over Financial Reporting**

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

Opinion

In our opinion, the Company has, in all material respects, read with impact of Covid- 19 stated in Emphasis of Matter paragraph in Independent Auditor's Report an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

> For D. K. Chhajer & Co. **Chartered Accountants** Firm Registration No. 304138E

Niraj Kumar Jhunjhunwala Membership No. 057170 UNIN No.20057170AAAAFX1788 Date: 30th September 2020

Place: Kolkata

Consolidated Balance Sheet as at 31st March, 2020

				Amount in 🗟
Particula		Note No.	As at 31.03.2020	As at 31.03.2019
	JITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	2	10,49,36,000	10,49,36,000
T · 1 (A)	(b) Reserves and Surplus	3 -	1,81,22,75,403	1,55,09,16,954
Total (A)		-	1,91,72,11,403	1,65,58,52,954
(2)	Non-Current Liabilities		4 72 60 2 40	1 40 71 461
	(a) Long Term Borrowings	4	4,73,68,340	1,48,71,461
T · 1 (D)	(b) Long Term Provisions	5	1,61,29,464	1,60,66,492
Total (B)			6,34,97,804	3,09,37,953
(3)	Current Liabilities			
	(a) Short-Term Borrowings	6	94,22,80,548	1,11,64,99,561
	(b) Trade Payables	7	7,07,98,04,548	8,81,59,26,982
	(c) Other Current Liabilities	8	25,84,69,506	18,71,25,698
	(d) Short-Term Provisions	9 -	2,05,695	1,61,58,000
Total (C)		-	8,28,07,60,297	10,13,57,10,241
Total (A-		-	10,26,14,69,504	11,82,25,01,148
	SETS			
(1)	Non-Current Assets	10		
	(a) Property, Plant & Equipment	10	0.07.00.045	0 (7 00 000
	(i) Tangible Assets		9,37,38,215	9,67,29,222
	(ii) Intangible Assets		11,27,050	18,47,088
	(b) Non-current investments	11	8,05,49,000	7,95,49,000
	(c) Deferred Tax Assets (Net)	12	65,93,352	38,00,534
	(d) Long Term Loans and Advances	13	2,76,03,733	2,80,78,671
Total (D)	(e) Other Non Current Assets	14	15,17,46,940	4,01,83,181
(2)	Current Assets	-	36,13,58,290	25,01,87,696
(2)	(a) Inventories	15	3,65,10,00,922	4,95,35,29,102
	(b) Trade Receivables	15	4,72,98,77,288	4,93,33,29,102 5,22,49,83,506
	(c) Cash and Bank Balances	17	4,72,98,77,288	44,04,92,455
		17		44,04,92,455 93,97,85,350
	(d) Short-term loans and advances(e) Other Current Assets	18	75,35,97,694	
Total (E)			2,22,19,263 9,90,01,11,214	1,35,23,039 11,57,23,13,452
Total (D				
	+=) nt Accounting Policies	1	10,26,14,69,504	11,82,25,01,148
0	nt Accounting Policies nal Notes to Accounts	27		

As per our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala *Partner* Membership No.: 057170

Place: Kolkata Dated: 30th September, 2020 For and on behalf of the Board

V.K. Bhandari Chief Executive Officer & Director DIN 00176658

Raju Chandak Company Secretary ACS 18070 N.K. Meharia

Chief Financial Officer & Director DIN 03152656

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

	Amount in R				
Part	ticulars	Note No.	For the year ended	For the year ended	
			31.03.2020	31.03.2019	
Ι.	Revenue from operations (Gross)	20	36,20,66,32,054	34,17,00,69,557	
II.	Other Income	21	6,56,74,054	3,99,98,507	
III.	Total Revenue (I +II)		36,27,23,06,108	34,21,00,68,064	
IV.	Expenses:				
	Purchases of Stock-in-Trade	22	33,08,80,98,013	33,87,46,61,143	
	Changes in inventories of Stock-in-trade	23	1,30,25,28,180	(1,39,96,16,061)	
	Employee Benefit Expense	24	48,74,28,210	36,25,01,325	
	Finance Costs	25	36,68,15,666	37,23,79,474	
	Depreciation and Amortization Expense	10	1,25,69,713	1,09,12,140	
	Other Expenses	26	65,17,97,656	55,25,56,885	
	Total Expenses		35,90,92,37,438	33,77,33,94,906	
V	Profit before tax (III - IV)		36,30,68,670	43,66,73,158	
VI	Tax expense:				
	Current tax		9,50,97,647	15,71,22,949	
	Deferred tax		(27,92,818)	(29,66,022)	
	Tax in respect of earlier years		-	4,49,003	
	Total Tax Expense		9,23,04,829	15,46,05,930	
VII	Profit for the year (V-VI)		27,07,63,841	28,20,67,228	
VIII	Earning per equity share of ₹10 each	27(g)			
	Basic & Diluted		25.80	26.88	
	Significant Accounting Policies	1			
	Additional Notes to Accounts	27			

As per our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala *Partner* Membership No. : 057170

Place: Kolkata Dated: 30th September, 2020 For and on behalf of the Board

V.K. Bhandari

Chief Executive Officer & Director DIN 00176658

Raju Chandak

Company Secretary ACS 18070

N.K. Meharia

Chief Financial Officer & Director DIN 03152656

Consolidated Cash Flow Statement for the year ended 31st March, 2020

			Amount in '000
Particulars		For the year ended	For the year ended
		31.03.2020	31.03.2019
Α.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	3,63,069	4,36,673
	Adjustments for:		
	Depreciation and Amortisation expense	12,570	10,912
	Profit on sale of fixed asset	(724)	
	Provision for Doubtful Debts	2,000	2,500
	Interest Income	(38,381)	(30,327)
	Finance Costs	3,66,816	3,72,379
	Operating Profit before working capital changes	7,05,349	7,92,138
	Adjustments for:		
	(Increase)/Decrease in Trade and other receivables	4,93,106	(7,03,815)
	(Increase)/Decrease in Inventories	13,02,528	(13,99,616)
	(Increase)/Decrease in Other Current Assets	(8,696)	7,252
	(Increase)/Decrease in Other Non Current Assets	(1,11,564)	1,53,757
	(Increase)/Decrease in Loans & Advances	2,63,385	(2,94,853)
	Increase/(Decrease in Trade Payables	(17,36,122)	18,03,003
	Increase/(Decrease) in Current Liabilities	71,344	47,678
	Increase/(Decrease) in Provisions	(15,889)	12,872
	Cash generated from Operations	9,63,440	4,18,415
	Direct Taxes paid	(1,71,738)	(1,51,804)
	Net Cash from Operating Activities	7,91,702	2,66,611
В.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets (Net)	(8,134)	(14,160)
	Purchase of Investment	(1,000)	(53)
	Interest received	38,381	30,327
	Net Cash (used in)/from Investing Activities	29,247	16,114
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend Paid	(9,487)	(9,487)
	Proceeds from Issue of Share Capital	-	-
	Proceeds from Borrowings (Net)	(1,41,722)	55,746
	Finance Costs	(3,66,816)	(3,72,379)
	Net Cash (used in)/from Financing Activities	(5,18,025)	(3,26,120)
Ne	t (decrease)/increase in cash and cash equivalents (A+B+C)	3,02,924	(43,396)
	sh and Bank Balances at beginning of the year	4,40,492	4,83,888
Ca	sh and Bank Balances at end of the year (Refer Note 17)	7,43,416	4,40,492

Note:

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on 'Cash Flow Statements'.

In terms of our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala *Partner* Membership No. : 057170

Place: Kolkata Dated: 30th September, 2020 For and on behalf of the Board

V.K. Bhandari Chief Executive Officer & Director DIN 00176658

Raju Chandak Company Secretary ACS 18070 N.K. Meharia Chief Financial Officer & Director DIN 03152656

1 SIGNIFICANT ACCOUNTING POLICIES: -

1.1 CORPORATE INFORMATION

Supertron Electronics Private Limited (the 'Holding Company') is engaged in distribution of Information Technology and Telecommunication products with pan India presence.

Supertron Electronics Pte Limited, a wholly owned subsidiary is engaged in distribution of Information Technology and Telecommunication products in Singapore.

- 1.2 1.1 The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards
 (AS) 21 on "Consolidated Financial Statements"
- **1.3** The Consolidated Financial Statements relate to Supertron Electronics Private Limited (the "Holding Company") and its wholly owned subsidiary, Supertron Electronics Pte Limited incorporated in Singapore.

1.4 CONSOLIDATION PROCEDURE

- i. The financial statements of the Holding Company and its wholly owned subsidiary have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances and Intra group transactions and the unrealized profits on stocks arising out of intra group transactions have been eliminated.
- ii. As far as possible, the consolidated financials are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- iii. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against revenue of the group in order to arrive at the net revenue attributable to the shareholders of the Company. The excess of loss over the minority interest in the equity is adjusted in minority interest.
- iv. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and equity of the Company's shareholders.
- v. In terms of AS 11 on "The Effect of Changes in Foreign Exchange Rate", foreign subsidiary is integral part of the operations of the Company. Financial Statements of the Subsidiary have been translated at the following exchange rates:
 - (a) Revenue and Expenses: At the average exchange rate during the year.
 - (b) All other assets and liabilities: Closing rates prevailing at the year end.

Any exchange difference arising on consolidation is recognized in the statement of Profit and Loss.

1.5 OTHER SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and relevant provisions of the Companies Act, 2013, to the extent notified. Accounting policies unless specifically stated to be otherwise, is consistent with generally accepted accounting principles.

(b) USE OF ESTIMATES

The preparation of Consolidated financial statements requires the management to make estimates, judgements and assumptions that affects the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of the current events and actions, actual results could differ from the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) PROPERTY, PLANT & EQUIPMENT

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses. The cost of assets comprises its purchase price net of recoverable taxes plus directly attributable costs of bringing the assets to the working condition for its intended use. Subsequent expenditures related to an item of Plant Property & Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Gains and losses arising from the disposal of Plant Property & Equipment are recognized in the Statement of Profit and Loss.

In case of Holding Company, depreciation on Property, Plant and Equipment is provided under the Straight-Line Method (SLM) at the rates determined based on the useful life of the respective assets and residual values in accordance with Schedule III of the Companies Act, 2013.

Depreciation on Plant Property & Equipment added / disposed off during the year is provided on pro rata basis with reference to the date of addition / disposal.

In case of Subsidiary Company, no assets have been capitalised till 31 March, 2020.

(d) INTANGIBLE ASSETS

- a) Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets. Intangible Assets are stated at cost less accumulated amortization and cumulative impairment losses, if any.
- b) Computer software is amortized over a period of three years.

(e) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets up to the date such assets are ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognized as expenses in the period in which they are incurred.

(f) INVESTMENTS

Current Investments are stated at lower of cost and fair value. Long-Term Investments are stated at cost; Provision for diminution, if any, in the value of long-term investment is made only if such a decline is other than temporary. Gain / Losses on disposal of Investments are recognized as income / expenditure.

(g) VALUATION OF INVENTORIES

- i) Closing Stock: -At cost or net realizable value whichever is lower. The Cost is computed on FIFO basis.
- ii) Obsolete/rejected items: -Nil/Estimated realizable value.
- iii) Cost includes purchase price, freight, custom duty (excluding Additional duty of Customs & Custom duty refundable), clearing & forwarding charges in case of imported goods whereas it includes only invoice value less GST if any, in case of domestic purchases.

(h) RECOGNITION OF REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

a) Revenue from sale of goods is recognized upon passage of title which generally coincides with delivery of material to the customers. The Group collects GST on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenues.

Sales figures are net of rebates and discounts.

b) Revenue from services are recognized pro-rata as and when the services are rendered. The Group collects GST on behalf of the Government and therefore, it is not and economic benefit flowing to the Group and hence excluded from revenue

(i) OTHER INCOME

- a) Dividend income is recognized when the Group's right to receive the payment is established by the Balance Sheet date.
- b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.
- c) Insurance and other claims are accounted for as and when accepted.
- d) Purchases are shown as net off discount received and foreign exchange gains/ losses on import of trading goods but include purchase expenses like custom duty, clearing charges, freight, interest on import purchases, etc.

(j) FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of transaction. The exchange differences arising on the settlement of such transactions are recognize in the Statement of Profit and Loss.

At the Balance Sheet date, monetary items denominated in foreign currency are translated at year end rates. The resultant translation differences, if any, are recognized in the Statement of Profit and Loss.

(k) DERIVATIVE INSTRUMENTS

The Group uses forward exchange contracts to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitment. In respect of forward exchange contracts with the underlying transactions, the premium or discount arising at the inception of such contracts is amortised as expense or income over the life of contract. Other forward exchange contracts outstanding on the Balance Sheet date are marked to market and in case of gain/loss the same is provided for in the financial statement. Any profit and loss arising on the cancellation of forward exchange contracts are recognized as income or expense for the period.

(I) EMPLOYEE BENEFITS

1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amounted in the period in which employee services are rendered.

2. Post employment benefits

Defined Contribution Plans

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the Group recognizes contribution payable to the Provident Fund Scheme as expenditure when an employee renders the related services.

The Company has no obligation other than contribution payable to the respective funds.

Defined Benefit Plans

Gratuity Liability being a defined benefit obligation, is required for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Group treats accumulated leaves expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long-term compensated absences are provided for on the actuarial valuation using the projected unit credit method at the end of each financial year. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(m) TAXATION ON INCOME

Income tax expense comprises current tax and deferred tax.

In case of the Holding Company,

- i. Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws.
- ii. Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. Such assets are reviewed as at each Balance Sheet date to reassess the realizability thereof. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- iii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefit in the form of tax credit against future income tax liability, is recognised in the Balance Sheet if there is convincing evidence to the effect that the Company will pay normal income tax during the specified period.

In case of the foreign company, tax liabilities and assets are recognized in accordance with local laws.

(n) EARNINGS PER SHARE

Basic Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Holding Company by the weighted average number of equity shares of the Holding Company outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders of the Holding Company and the weighted average number of shares outstanding of the Holding Company during the year are adjusted for the effect of all dilutive potential equity shares.

(o) CONTINGENCIES/PROVISIONS

Provision are recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the liabilities can be made. Liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts. Contingent Assets are neither recognised, nor disclosed.

2. Share Capital		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Authorised		
150,00,000 (Previous year 150,00,000) Equity Shares of ₹10/- each.	15,00,00,000	15,00,00,000
Issued,Subscribed and Fully Paid Up		
104,93,600 (Previous year 104,93,600) Equity Shares of ₹10/- each.	10,49,36,000	10,49,36,000
	10,49,36,000	10,49,36,000
Reconciliation of number of shares Outstanding:		
Particulars	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	1,04,93,600	1,04,93,600
Add: Shares issued during the year	-	-
Shares outstanding at the end of the year	1,04,93,600	1,04,93,600

a) Terms/Rights attached to Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

- b) There are no fully paid up equity shares pursuant to a contract nor any Bonus shares have been issued during the period of 5 years immediately preceding 31st March 2020.
- c) During the year ended 31st March, 2019, the Company has proposed final dividend of ₹0.75 per share (31st March, 2019 ₹0.75 per share) subject to approval of members in the ensuing Annual General Meeting.

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

Name of the Shareholder	As at 31	.03.2020	As at 31	.03.2019
	No. of Shares	% Held	No. of Shares	% Held
Vishnu Kumar Bhandari	18,39,600	17.53%	18,39,600	17.53%
Progressive Vinimay Pvt. Ltd	14,31,000	13.64%	14,31,000	13.64%
Ivory Finvest Ltd	12,69,000	12.09%	12,69,000	12.09%
Supercomp Electronics Pvt. Ltd	8,76,250	8.35%	8,76,250	8.35%
Vishnu Kumar Bhandari (HUF)	9,09,750	8.67%	9,09,750	8.67%
M K Distributors Pvt. Ltd	8,39,000	8.00%	8,39,000	8.00%
Deepak Bhandari	7,67,000	7.31%	7,67,000	7.31%
R.G. Traders Pvt. Ltd	7,50,000	7.15%	7,50,000	7.15%
Ruchir Bhandari	7,00,250	6.67%	7,00,250	6.67%
Swarnim Engineering Works Pvt. Ltd	5,28,125	5.03%	5,28,125	5.03%

3. Reserve & Surplus		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Capital Reserve		
At the Beginning and at the end of the year	3,40,793	3,40,793
Securities Premium		
At the Beginning and at the end of the year	18,68,59,625	18,68,59,625
General Reserve		
At the Beginning of the year	12,35,00,000	10,35,00,000
Add: Transferred from Surplus	2,00,00,000	2,00,00,000
At the end of the year	14,35,00,000	12,35,00,000
Surplus in the Statement of Profit and Loss		
At the Beginning of the year	1,24,02,16,536	98,79,71,664
Consolidation Adjustment	-	(3,34,413)
Add: Adjustment related to previous year	82,551	-
Add: Profit for the year	27,07,63,841	28,20,67,228
	1,51,10,62,928	1,26,97,04,479
Less: Appropriations		
Transfer to General Reserve	2,00,00,000	2,00,00,000
Dividend to Equity Shareholders	94,87,943	94,87,943
At the end of the Year	1,48,15,74,985	1,24,02,16,536
	1,81,22,75,403	1,55,09,16,954

4. Long Term Borrowings Amount in ₹ As at 31.03.2020 Particulars As at 31.03.2019 Secured Vehicle loan HDFC Bank Limited (Hyundai) 4,31,954 ICICI Bank Limited 15,91,691 29,31,279 HDFC Bank Limited (Mercedes) 45,79,769 57,00,000 22,11,978 Less: Current Maturities of vehicle loan (Refer Note No 9) (32,65,098) (28,91,772) 61,71,461 51,18,340 Unsecured From a Body Corporate 35,00,000 87,00,000 From Directors & Shareholders 3,87,50,000 4,73,68,340 1,48,71,461

4.1 Terms of Repayment of Term Loans & Other Loans

	ROI	EMI	Security by way of Hypothecation
HDFC Bank Limited	9.50%	55894	Motor Car under HP Agreement
ICICI Bank Limited	9.36%	129788	Motor Car under HP Agreement
HDFC Bank Limited	9.50%	119321	Motor Car under HP Agreement
Unsecured Loan from Promoters Group carry			
Interest Rate of 12-14%			

5. Long Term ProvisionsAmount in ₹ParticularsAs at 31.03.2020As at 31.03.2019Provision for Employee Benefits1,61,29,4641,60,66,4921,61,29,4641,60,66,4921,60,66,492

6. Short Term Borrowings		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
Working capital loan*		
Cash Credit account with		
Karnataka Bank Ltd	23,73,61,793	28,40,15,365
State Bank of India	28,20,07,172	35,48,86,102
ICICI Bank Ltd	10,85,38,810	10,00,90,827
HDFC Bank	15,00,00,000	10,00,00,000
Union Bank of India	9,23,41,558	12,83,71,719
IDFC Bank Limited	7,20,31,215	8,91,35,548
	94,22,80,548	1,05,64,99,561
Unsecured		
Loan Repayable on Demand		
- From Bodies Corporate	-	6,00,00,000.00
	-	6,00,00,000.00
	94,22,80,548	1,11,64,99,561

*(Secured by way of equitable mortgage of immovable properties owned by the Company, Director & his relative and by two group Companies, hypothecation of Stocks and Book Debts, Receivables etc ranking pari pasu, Lien on Term Deposits and also personal guarantee of two directors and corporate guarantee of two group Companies. The working capital facilities having interest rate varying between 9.10% to 10% pa are payable on demand)

7. Trade Payables		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
MSME	-	-
Other than MSME	7,07,98,04,548	8,81,59,26,982
	7,07,98,04,548	8,81,59,26,982

7.1 The Company has compiled this information based on intimation received from the suppliers of goods of their status as Micro or Small Enterprises and/or its registration with appropriate authority under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act") & based thereupon the Company owes no money to any MSME suppliers of goods.

8. Other Current Liabilities		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Income received in advance	-	-
Statutory Dues	69,34,012	1,47,49,965
Advance From Customers	12,16,39,533	5,53,26,892
Security Deposits	31,73,682	38,80,915
Current Maturities of Long term Borrowing (Refer Note No 4)	32,65,098	28,91,772
Other Payables	12,34,57,181	11,02,76,154
	25,84,69,506	18,71,25,698

8.1 Details relating to Micro, Small and Medium Enterprises:

Details relating to Micro, Small and Medium Enterprises:		Amount in ₹
rticulars	As at 31.03.2020	As at 31.03.2019
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	59,16,996	53,84,682
the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Development Act, 2006	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the Misse Section 24 of	-	-
	rticulars the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Development Act, 2006 the amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose	rticularsAs at 31.03.2020the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Development Act, 2006-the amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 ofAs at 31.03.2020

9. Short Term Provisions		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits		-
Provision for Tax (net)	2,05,695	1,61,58,000
	2,05,695	1,61,58,000

Generation Generation Cencicion Up to Cencicion Up to Up to <th <<="" colspa="6" th=""><th>10.</th><th>I.U. FIXED ASSETS</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></th>	<th>10.</th> <th>I.U. FIXED ASSETS</th> <th></th>	10.	I.U. FIXED ASSETS										
Balance as at building* Indication building* Deduction building* Deduction building* Deduction building* Up to building* Deduction building* Deduction building* <th>Sr.</th> <th>Particulars</th> <th></th> <th>Gross</th> <th>Block</th> <th></th> <th></th> <th>Depreciation/</th> <th>Amortisation</th> <th></th> <th>Net Block</th> <th>lock</th>	Sr.	Particulars		Gross	Block			Depreciation/	Amortisation		Net Block	lock	
Image Image <t< th=""><th>Ŷ</th><th></th><th>Balance as at</th><th>Addition</th><th>Deduction</th><th>Balance as at</th><th>Up to</th><th>For the year</th><th>Deduction</th><th>Up to</th><th>Balance as at</th><th>Balance as at</th></t<>	Ŷ		Balance as at	Addition	Deduction	Balance as at	Up to	For the year	Deduction	Up to	Balance as at	Balance as at	
Iangle Assets year year year year Iangle Assets $5/2.67/86$ year $4/36$ $4/32$ 6.03340 $4/32$ 6.03340 $4/36$			01.04.2019	during the	during the	31.03.2020	01.04.2019		during the	31.03.2020	31.03.2020	31.03.2019	
Tangible Assets 5/26/786 6 93,27020 4/9/2 Building* 5/26/786 84,20,162 9,06,858 84,20,162 9,06,858 7,89,00 1,40 Plant and Equipment 6,09,340 7,68,700 7,68,700 3,05,55,395 1,41,08,324 23,64,742 9,45,966 1,64,73,066 1,40 Furnitures & Fixtures 3,32,78,084 59,23,165 3,33,15,923 1,15,05,192 3,99,5,714 30,24,925 1,24,75,981 2,285 Vehicles (cars) 3,32,78,084 59,43,115 1,06,89,513 25,53,192 1,24,75,981 2,285 Office Equipment 1,75,33,662 9,04,525 1,16,67,912 39,92,714 30,24,925 1,10,183,14 357 Office Equipment 1,75,33,662 9,04,505 9,92,604 1,06,89,513 2,53,192 1,24,75981 2,285 Office Equipment 1,75,33,662 9,04,505 1,08,89,514 30,24,925 6,30,05,947 357,3286 Office Equipment 1,75,33,662 3,85,326 3,5,64,4162 5,41,4162 30,24,925				year	year				year				
Building* $57267/36$ $57267/36$ $84201/62$ $9,06858$ $9,2,27,020$ $4,79$ Plant and Equipment $6,09,340$ $7,80,700$ $4,79$ $9,2,27,020$ $4,79$ $4,93,1963$ $3,05,55,395$ $1,4,06,324$ $3,3,69,925$ $1,406$ Punitures & Fixtures $2,27,806695$ $7,68,700$ $3,05,55,395$ $1,1,10,324$ $23,64,925$ $1,406$ Vehicles (cars) $3,32,78,084$ $5,92,3165$ $3,35,55,395$ $1,1,505,192$ $3,995,714$ $3,24,925$ $1,64,73,066$ $1,406$ Vehicles (cars) $3,32,78,084$ $5,92,3165$ $3,33,55,392$ $1,1,505,192$ $3,995,714$ $3,24,925$ $1,24,75,981$ $2,285$ Office Equipment $1,75,33,662$ $9,4,525$ $3,25,53,192$ $2,5,53,192$ $1,24,75,981$ $2,285$ Office Equipment $1,75,33,662$ $2,72,679$ $3,885,326$ $3,53,15,923$ $1,16,4,75,912$ $3,224,925$ $1,24,75,981$ $2,35$ Computer $1,75,93,162$ $2,73,662$ $3,25,3192$ $2,74,119$ $3,224,712$ $3,224,705$ $3,224,705$ $3,224,705$ Computer $1,2,69,713$ $9,26,744,116$ $5,4,181,197$ $1,18,49,675$ $3,224,716$ $3,224,705$ $3,224,705$ $3,224,705$ Provious Vear's TOTAL(B) $1,2,69,713$ $9,26,043$ $1,36,675$ $3,24,4119$ $9,226$ $9,22,694$ $9,226$ Provious Vear's TOTAL(B) $1,336,755$ $1,32,69,713$ $1,32,69,713$ $1,23,69,713$ $1,23,24,705$ $1,1,23,24,756$ Provious Vear's TOTAL(C) $1,$	_	Tangible Assets											
Plant and Equipment $6,09,340$ $e,09,340$ $e,31,963$ $36,898$ $36,896$ $4,68,661$ $1,03$ Furnitures & Fixtures $297,86,695$ $7,68,700$ $305,55,395$ $1,41,08,324$ $23,64,742$ $ 1,64,73,066$ $1,406$ Vehicles (Cars) $3,32,78,084$ $59,23,165$ $3,85,53,95$ $1,15,05,192$ $39,95,714$ $30,24,925$ $1,24,75,981$ 2285 Office Equipment $1,75,33,662$ $9,04,525$ $9,04,525$ $1,84,3817$ $1,06,89,513$ $23,64,742$ $ 1,405$ Office Equipment $1,75,33,662$ $9,04,525$ $3,85,326$ $3,85,326$ $3,85,53,1592$ $39,95,714$ $30,24,925$ $1,405$ Office Equipment $1,75,33,662$ $9,04,525$ $9,04,5563$ $1,405$ $9,92,271$ $2,285$ Computer $1,24,34,852$ $2,12,26/9$ $9,24,561$ $1,18,49,675$ $30,24,925$ $1,10,18,314$ $35,53$ Orbutor $1,24,34,822$ $2,12,26/9$ $9,71,9069$ $38,85,326$ $1,567,44,119$ $1,18,49,675$ $30,24,925$ $1,10,18,314$ $3,53$ Previous Year's TOTAL(B) $1,361,755$ $3,24,926$ $3,24,925$ $6,30,05,941$ $9,23$ $9,22$ Previous Year's TOTAL(B) $1,361,755$ $3,24,926$ $3,24,925$ $6,30,05,941$ $9,23$ Previous Year's TOTAL(D) $1,13,61,755$ $2,22,0441$ $3,25,944119$ $9,226$ $1,23,667$ $1,22,59765$ $1,12$ Previous Year's TOTAL(D) $1,13,61,755$ $2,25,0106$ $2,37,506$ $1,23,667$ $1,$, -	Building *	5,72,67,786		I	5,72,67,786	84,20,162	9,06,858	I	93,27,020	4,79,40,766	4,88,47,624	
Furnitures & Fixtures $297,86,695$ $7,68,700$ $305,55,395$ $14,108,324$ $23,64,742$ 6 $1,64,73,066$ $1,406$ Vehicles (cars) $3,32,78084$ $59,23,165$ $38,85,326$ $3,53,15,923$ $1,15,05,192$ $30,95,714$ $30,24,925$ $1,24,75,981$ $2,283Vehicles (cars)1,75,336629,04,5259,04,5251,84,381871,06,89,51320,56,0431,24,75,9812,283Office Equipment1,75,3366221,22,67921,22,6793,835,3263,65,71430,24,9251,3,24,70551,57Computer1,75,3366221,22,67921,22,6793,835,3261,60,89,51320,26,04319,92,2712,283Computer1,24,3485221,22,6793,85,3261,66,94,41169,92,274130,24,9256,30,69,94435,33,33,33Foreius Year's TOTAL(B)1,38,10,7521,26,0431,18,49,67530,24,9256,30,69,9479,32,33,33Foreius Year's ToTAL(B)1,38,17595,15,9171,13,61,75295,15,9177,20,0381,02,35,95511,23,176Foreius Year's TOTAL(D)1,38,75621,36,67595,15,9177,20,0381,02,35,95511,23,176Foreius Year's TOTAL(D)9,27,4119,27,61725,90,71820,26,9267,20,0381,02,56,5751,12,126,5756Foreius Year's TOTAL(D)9,27,4119,27,61723,750,6677,20,0381,02,56,5721,02,56,5729,23,667$	2	Plant and Equipment	6,09,340		I	6,09,340	4,31,963	36,898	I	4,68,861	1,40,479	1,77,377	
Vehicles (Cars) 332/8084 59,23/165 385,326 3,53,15,923 1,15,05,192 39,95,714 30,24,925 1,24,75,981 2,283 Office Equipment 1,75,33,662 9,04,525 1,84,38,187 1,06,89,513 2,55,3192 1,32,42,705 5,19 2,34,925 1,32,42,705 5,19 35,53,192 7,10,18,314 35,53 35,53,192 1,32,42,705 5,19 35,53,192 35,53,192 35,53,192 35,53 35,53 35,53 35,53 35,53 35,53 35,53 35,54,205 35,13 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 35,54 36,54 35,54 35,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54 36,54,56 36,56 36,55 <td>m</td> <td>Furnitures & Fixtures</td> <td>2,97,86,695</td> <td>7,68,700</td> <td>I</td> <td>3,05,55,395</td> <td>1,41,08,324</td> <td>23,64,742</td> <td>I</td> <td>1,64,73,066</td> <td>1,40,82,329</td> <td>1,56,78,371</td>	m	Furnitures & Fixtures	2,97,86,695	7,68,700	I	3,05,55,395	1,41,08,324	23,64,742	I	1,64,73,066	1,40,82,329	1,56,78,371	
Office Equipment $1,75,33,662$ $9,04,525$ \ldots $1,84,38,187$ $1,06,89,513$ $25,53,192$ \ldots $1,32,42,705$ $51,32,52,52$ $51,32,62,62,62$ $51,32,62,62,62$ $51,32,62,62,62$ $51,32,62,65,62$ $51,32,62,65,62$ $51,32,62,65,62$ $51,32,65,65,22$ $51,32,6$	4	Vehicles (Cars)	3,32,78,084	59,23,165	38,85,326	3,53,15,923	1,15,05,192	39,95,714	30,24,925	1,24,75,981	2,28,39,942	2,17,72,892	
Computer 1,2,3,3,452 21,22,679 - 1,45,57,531 90,26,043 19,92,271 - 1,10,18,314 35,3 TOTAL (A) 15,09,10,419 97,19,069 38,85,326 15,67,44,162 5,41,81,197 1,18,49,675 30,24,925 6,30,05,947 9,37,3 Previous Year's TOTAL (B) 13,82,09,193 97,19,069 38,85,326 15,67,44,162 5,41,81,197 1,18,49,675 6,30,05,947 9,37,3 Previous Year's TOTAL (B) 13,82,09,193 23,85,326 15,67,44,119 7,20,038 30,24,925 6,30,05,947 9,37,3 Previous Year's TOTAL (B) 1,13,61,755 21,13,61,755 95,15,917 7,20,038 9,25,956 11,2 Software 1,13,61,755 25,000 23,750 7,20,038 95,15,917 7,20,038 9,23,5955 11,2 Patent & Trademark 1,13,61,755 25,091 7,20,038 7,20,038 2,23,65652 93,750 11,2 Patent & Trademark 1,13,86,755 95,39,667 7,20,038 9,23,65,057 10,23,59,557 10,23,59,557 <	Ś	Office Equipment	1,75,33,662	9,04,525	1	1,84,38,187	1,06,89,513	25,53,192	I	1,32,42,705	51,95,482	68,44,149	
I5,09,10,419 97,19,069 38,85,326 15,67,44,162 5,41,81,197 1,18,49,675 30,24,925 6,30,05,947 9,37,3 I7L(B) 13,82,09,193 20 23,85,325 4,39,44,119 7,20,038 4,39,44,119 9,42,6 13,82,09,193 25,000 13,82,09,193 4,39,44,119 7,20,038 4,39,44,119 9,42,6 1,13,61,755 1,13,61,755 1,13,61,755 9,51,5917 7,20,038 4,39,44,119 9,42,6 1,13,61,755 1,13,61,755 9,51,5917 7,20,038 1,02 1,02 3,44,119 9,42,6 1,13,61,755 25,000 23,750 23,750 1,1,2 1,02,535,955 11,2 1,13,61,755 25,000 23,750 23,750 23,750 1,1,2 1,13,86,755 95,39,667 7,20,038 7,20,038 1,02 1,1,2 AL(D) 99,27,411 88,64,605 7,20,036 1,25,69,713 30,24,925 9,48,605 10,6 AL(B+D) 99,27,411 88,64,605 1,25,69,713 30,24,925	9	Computer	1,24,34,852	21,22,679	I	1,45,57,531	90,26,043	19,92,271	I	1,10,18,314	35,39,217	34,08,809	
		TOTAL (A)	15,09,10,419	97,19,069	38,85,326	15,67,44,162	5,41,81,197	1,18,49,675	30,24,925	6,30,05,947	9,37,38,215	9,67,29,222	
k 1,13,61,755 - 1,13,61,755 95,15,917 7,20,038 - 1,02,35,955 11,2 k 25,000 23,750 23,750 23,750 23,750 11,2 AL(b) 1,13,86,755 - 1,13,86,755 95,39,667 7,20,038 - 23,750 AL(b) 99,27,411 88,64,605 95,39,667 7,20,038 - 1,02,59,705 11,2 AL(b) 99,27,411 88,64,605 95,39,667 7,20,038 - 1,02,59,705 10,6 AL(b+D) 99,27,411 88,64,605 95,39,667 95,39,667 7,20,038 1,05 10,6 AL(b+D) 99,27,411 88,64,605 1,25,69,713 30,24,925 7,32,65,652 9,48,66 AL(b+D) 14,81,36,604 5,28,08,724 5,28,08,724 9,53,22 9,48,65 9,53,25		Previous Year's TOTAL(B)	13,82,09,193		1	13,82,09,193	4,39,44,119		I	4,39,44,119	9,42,65,074	9,42,65,074	
1,13,61,755 - 1,13,61,755 - 1,13,61,755 - 1,02,35,955 11,2 25,000 25,000 23,750 23,750 23,750 1,02,35,955 11,2 25,000 23,750 23,750 23,750 23,750 1,02,35,955 11,2 1,13,86,755 - 1,13,86,755 95,39,667 7,20,038 - 1,02,59,705 11,2 1,13,86,755 - 1,13,86,755 95,39,667 7,20,038 - 1,02,59,705 11,2 1,13,86,755 99,27,411 88,64,605 95,39,667 7,20,038 - 1,02,59,705 11,2 1,01,86,741 97,19,069 38,85,326 16,81,30,917 6,37,20,864 1,25,69,713 30,24,925 7,32,65,652 9,48,66 1,04,015 - 14,81,36,604 5,28,08,724 1,25,69,713 30,24,925 7,32,65,652 9,48,67	=	Intangible Assets											
L(D) 25,000 - 25,000 23,750 - 23,750 - 23,750 - 23,750 - 23,750 11,2 1,13,86,755 - - - 1,13,86,755 95,39,667 7,20,038 - 1,02,59,705 11,2 1,13,86,755 - - 99,27,411 88,64,605 7,20,038 - 88,64,605 10,6 16,22,97,174 97,19,069 38,85,326 16,81,30,917 6,37,20,864 1,25,69,713 30,24,925 7,32,65,652 948,6 1,48,1,36,604 5,28,08,724 5,28,08,724 9,53,2 9,48,6 9,53,2	, -	Software	1,13,61,755	I	I	1,13,61,755	95,15,917	7,20,038	I	1,02,35,955	11,25,800	18,45,838	
1,13,86,755 - - 1,13,86,755 95,39,667 7,20,038 - 1,02,59,705 1 99,27,411 29,27,411 88,64,605 28,64,605 28,64,605 28,64,605 29,27,410 20,27,410 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,411 20,27,412 20,27,4105 20,27,4105 20,27,4105 20,27,4105 20,27,4105 20,27,4105 20,24,405 20,21,4105 <	2	Patent & Trademark	25,000		I	25,000	23,750		1	23,750	1,250	1,250	
99,27,411 - 99,27,411 88,64,605 - 88,64,605 - 88,64,605 - 88,64,605 94,405 - 88,64,605 94,405		TOTAL (C)	1,13,86,755	I	I	1,13,86,755	95,39,667	7,20,038	I	1,02,59,705	11,27,050	18,47,088	
16,22,97,174 97,19,069 38,85,326 16,81,30,917 6,37,20,864 1,25,69,713 30,24,925 7,32,65,652 14,81,36,604 5,28,08,724 - 14,81,36,604 5,28,08,724 - 5,28,08,724		Previous Year's TOTAL(D)	99,27,411		1	99,27,411	88,64,605		1	88,64,605	10,62,806	10,62,806	
14,81,36,604 5,28,08,724 - 5,28,08,724 - 5,28,08,724		TOTAL (A+C)	16,22,97,174	97,19,069	38,85,326	16,81,30,917	6,37,20,864	1,25,69,713	30,24,925	7,32,65,652	9,48,65,265	9,85,76,310	
		Previous Year's TOTAL (B+D)	14,81,36,604		I	14,81,36,604	5,28,08,724		I	5,28,08,724	9,53,27,880	9,53,27,880	

*Title Deeds have not been executed in respect of flats purchased vide agreements for sale amounting to ₹59,76,000/-

Notes to the Financial Statements for the year ended 31st March, 2020

11 Non Current Investment

11. Non Current Investment			Amount in ₹
Particulars		As at 31.03.2020	As at 31.03.2019
(Unquoted, Other than Trade, At cost unless otherwise state	ed)		
-Investments in Government Securities (NSC VIII Issue)		9,000	9,000
- In Supertron Telecommunication Pvt. Ltd. of ₹10 each		40,000	40,000
	4,000		
Quoted, Other than Trade			
-Investment in Mutual Fund (Lien with Bank)	No. of Units		
SBI Short Term Debt Fund of ₹10 each	6,34,256	1,20,00,000	1,20,00,000
SBI Corporate Bond Fund of ₹10 each	4,76,463	1,25,00,000	1,25,00,000
SBI Debt Fund Series of ₹10 each	30,00,000	3,00,00,000	3,00,00,000
SBI Debt Fund Series of ₹10 each	25,00,000	2,50,00,000	2,50,00,000
Bajaj Alliance Secure Gain Fund	25,054	10,00,000	
		8,05,49,000	7,95,49,000
Aggregate Market Value of Quoted Investments		9,55,85,024	8,73,97,108
Aggregate Cost of Quoted Investments		8,05,00,000	7,95,00,000
Aggregate Cost of Unquoted Investments		49,000	1,02,466

11.1 Investment in NSCs amounting to ₹9,000/- (Matured) held in the name of a director of the Company, are pledged with Sales Tax Departments.

12. Deferred Tax		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Tax Effects of items constituting Deferred Tax Liability		
Property, Plant and Equipment	(65,18,235)	(90,56,632)
Tax Effects of items constituting Deferred Tax Asset		
Provision for Doubtful Debts	64,32,026	80,72,064
Provision on Employee Benefits	66,79,561	47,85,102
Deffered Tax Assets (Net)	65,93,352	38,00,534

13. Long Term Loans and Advances		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits -Rent and others	2,76,03,733	2,80,78,671
	2,76,03,733	2,80,78,671

14. Other Non Current Assets		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Deposits with Banks (Maturity beyond 12 months)	15,17,46,940	4,01,83,181
(Under Lien with Banks. Refer Note No 17)		
	15,17,46,940	4,01,83,181

15. Inventories		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Stock-in- Trade	3,65,10,00,922	4,95,35,29,102
(Valued at lower of cost or net realisable value)		
	3,65,10,00,922	4,95,35,29,102

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Notes to the Financial Statements for the year ended 31st March, 2020

coivabl 16 Trade D

16. Trade Receivable		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured and Considered Good)		
Oustanding for a period exceeding six months from the date they	10,32,83,407	9,30,87,330
become due		
Others	4,65,16,93,881	5,15,49,96,176
	4,75,49,77,288	5,24,80,83,506
Less: Provision made	2,51,00,000	2,31,00,000
	4,72,98,77,288	5,22,49,83,506

16.1 The Company has taken a Credit insurance Policy to secure its debtors during the year

16.2 The Company has initiated legal proceedings against Sundry Debtors of ₹514.22 lakh (Previous year ₹544.36 lakh)

17 Cash & Bank Balances

17 Cash & Bank Balances		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
Cash and Cash Equivalent		
-Balances with Banks in Current Account	6,53,61,490	8,96,73,672
-Cash on hand	13,52,842	10,67,500
Other Bank Balances		
-Deposits with Banks (under Lien)	82,84,48,655	38,99,34,464
	89,51,62,987	48,06,75,636
Less: Deposits with Banks disclosed under Other Non-Current Assets	(15,17,46,940)	(4,01,83,181)
	74,34,16,047	44,04,92,455

18. Short Terms Loans and Advances		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured and Considered Good)		
Advance to Suppliers	7,09,58,171	4,59,57,534
Balance with Statuory Bodies	54,85,11,553	84,69,04,995
Additional duty of Customs (SAD) Refundable Account	2,09,29,565	2,24,83,619
Prepaid Expenses	1,15,05,239	1,70,74,173
Income Tax Receivable	7,67,22,861	21,20,923
Advance Recoverable in cash or in kind or for value to be received	36,15,055	27,81,174
Surplus in Gratuity Fund	-	24,62,932
Customs duty Refundable Claim	2,13,55,250	-
	75,35,97,694	93,97,85,350

19. Other Current Assets		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured and Considered Good)		
Interest Accrued but not Due	2,22,19,263	1,35,23,039
	2,22,19,263	1,35,23,039

20. Revenue from Operations		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Sale of Goods and Services	36,20,66,32,054	34,17,00,69,557
	36,20,66,32,054	34,17,00,69,557

21. Other Income		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Interest Income	3,83,81,362	3,03,26,725
Other Receipts	2,72,92,692	96,71,782
	6,56,74,054	3,99,98,507

22. Purchase of stock in trade

22. Purchase of stock in trade		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Purchase of Goods and Services	33,08,80,98,013	33,87,46,61,143
	33,08,80,98,013	33,87,46,61,143

22.1 Foreign exchange losses of ₹924.02 lakh has been adjusted with Purchases.

23. Changes in Inventories of Stock in trade		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Opening Stock	4,95,35,29,102	3,55,39,13,041
Less : Closing Stock	3,65,10,00,922	4,95,35,29,102
	1,30,25,28,180	(1,39,96,16,061)

24. Employee Benefits expenses		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Salaries,Wages and Bonus etc.	45,36,67,658	34,28,86,466
Contribution to provident and other funds	2,51,01,630	1,06,13,293
Staff welfare expenses	86,58,922	90,01,566
	48,74,28,210	36,25,01,325

25. Finance Costs		Amount in ₹
Particulars	For the year ended	For the year ended
	31.03.2020	31.03.2019
Interest Expense	35,77,30,330	36,50,72,627
Other borrowing costs	90,85,336	73,06,847
	36,68,15,666	37,23,79,474

24.00

26. Other Expenses	Amount in ₹		
Particulars	For the year ended	For the year ended	
	31.03.2020	31.03.2019	
Vehicle Expenses	23,69,074	22,92,219	
Travelling Expenses	2,58,80,652	4,97,59,136	
Repair & Maintenance Expense	78,37,641	36,75,850	
Conveyance Expenses	98,67,585	1,11,21,750	
Insurance Expenses	3,46,67,592	2,69,72,922	
Freight and Handling charges	14,13,11,132	11,80,80,860	
Professional and legal expenses	2,26,43,573	1,61,98,066	
Electricity and Maintenance charges	48,89,514	50,36,784	
Postage, Telephone, Fax and courier services etc	59,75,589	73,38,395	
Commission paid	2,05,82,853	34,40,319	
Auditors' Remuneration			
-Audit Fees	13,29,230	13,50,000	
-Certification	1,00,000	2,00,000	
-Tax Audit Fees	1,00,000	1,00,000	
-Vat Audit Fees	-	-	
Rent Paid	7,68,16,511	6,91,14,085	
Bad Debt written off	25,78,368	4,84,825	
Provision for Doubtful Debts	20,00,000	25,00,000	
Subcription and Membership Fees	16,88,277	6,18,240	
Sales Tax Paid	30,90,402	19,77,668	
Donation	20,001	4,88,101	
Advertisement & Business Promotion	22,17,94,623	16,69,65,772	
Consumable Stores	60,028	1,06,947	
Loss on Currency Derivatives	26,777	82,31,900	
Rates and Taxes	11,55,409	8,29,442	
Office Maintenance	92,86,014	1,01,51,662	
Printing & Stationery	64,08,048	50,37,682	
Bank Charges	3,29,76,531	2,25,39,343	
Net loss on foreign currency transaction and translation	-	84,609	
Corporate Social Responsibility Expenses (Refer Note No 27(a))	78,28,126	68,43,621	
Miscellaneous Expenses	85,14,106	1,10,16,687	
	65,17,97,656	55,25,56,885	

27. Additional Informations and Disclosures

a) Corporate Social Responsibility

A Corporate Social Responsibility (CSR) committee has been formed by the Company as per provisions of Section 135 of the Companies Act, 2013. The areas for CSR activities is to provide Education, Nourishment, Health and Shelter to the Children, Youth and Elderly of underprivileged of our society. Disclosures of Corporate Social Responsibility expenditure are in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"

- Gross amount required to be spent by the Company during the year ₹78,28,126 a)
- b) Amount spent during the year on:

		Amount in lakh
Particulars	2019-20	2018-19
Amount of CSR expenditure to be incurred during the year	78,28,126	68,43,621
Amount of CSR expenditure spent during the year	34,50,000	30,00,000

27. Additional Informations and Disclosures (Contd.)

The Company has incurred CSR expenditure through its Related Trust M/s Supertron Foundation during the financial year ending 31st March 2020 for social welfare cause.

The Company has created a provision of ₹48,78,126 towards CSR Expenditure, proposed and dedicated to social welfare cause and total provision as on 31/03/20 aggregated to ₹82,21,747.

b) Contingent Liabilities and Commitments (To The Extent Not Provided For):

		Amount in lakh
Particulars	As at 31.03.2020	As at 31.03.2019
Contingent Liabilities:		
 Claims against the Company/disputed liabilities not acknowledged as debts: 		
In respect of Sales Tax demand (in appeal filed in Karnataka High court to be updated)	478.75	286.11
In respect of Custom Duty Demand	13.20	13.20
In respect of Fringe Benefit Tax Demand	1.05	1.05
ii) Letters of Credit issued by Banks and Outstanding	-	286.36
iii) Bank Guarantees issued by Banks and Outstanding	4367.00	3669.00
Capital Commitments:		
Estimated amount of Contracts remaining to be executed on	36.00	36.00
Capital Account (net of advance)		

c) RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD 18:

i) Name of the Related parties and description of relationships -

- I) Subsidiary Company Supertron Electronics PTE Ltd.
- II) Key Management Personnel
 V.K.Bhandari CEO and Director
 Vibhor Agarwal- Director
 Deepak Bhandari- Director
 Nirmal Kumar Meharia –CFO and Director
- III) Relative of Key Management Personnel Bhagwani Devi Bhandari
 Gayatri Devi Bhandari
 Nirmala Devi Somani
 Shobha Bhandari
 M.L.Bhandari
 Vishnu Kumar Bhandari (HUF)
 Nupur Bhandari
 Vipul Bhandari
 Vipul Bhandari
 Raj Bhandari
 Ruchir Bhandari
 Shivani Rahul Bhandari
- IV) Enterprises in which the Key Management Personnel and his relatives have substantial interest Ivory Finvest Limited
 R. G. Traders Private Limited
 Supertron Telecommunications Private Limited
 M.K.Distributors Private Limited
 Supertron Infotech Private Limited
 Supertron Foundation

27. Additional Informations and Disclosures (Contd.)

Nature of Transactions: ii.

Nature of Transactions: Amount in ₹						
Particulars	Key Man	Key Management		Relative of Key		s in which
	Personnel Management Personnel the Key Manager Personnel and		nagement			
			nel and			
					his relativ	
					substantial	interest (₹)
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Interest on loans	5,98,357	33,781	-	2,20,513	5,63,047	11,40,656
Rent Paid	2,49,480	2,49,480	15,74,220	15,74,220	-	-
Office Maintenance	-	-	1,65,340	-	-	-
Receiving of Services	4,10,58,646	5,10,78,880	44,17,037	50,36,300	-	-
Professional Services	-	-	-	-	72,000	-
Fees & Subscription	9,912	9,912	-	-	-	-
Dividend Paid	19,54,950	19,54,950	16,37,720	16,37,720	21,39,750	21,39,750
Sale of Goods	-	-	-	-	1,17,14,611	-
Loan Taken	3,90,00,000	-	-	-	-	-
Loan Repaid	2,50,000	-	-	-	52,00,000	-
Business Promotion	-	-	-	-	-	9,00,000
CSR Expenditure	-	-	-	-	78,28,126	68,43,621
Closing balance:						
Loan Taken	3,87,50,000	-	-	-	35,00,000	87,00,000
Investment in Subsidiary	-	-	-	-	53,466	53,466
Company						
Advances to Subsidiary	-	-	-	-	26,25,500	26,25,500
Company						
Debtors	-	-	-	-	1,17,14,611	-

iii. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

Sr No.	Particulars	Transaction 2019-20 (₹)	Transaction 2018-19 (₹)
1	Interest on Unsecured Loan:		
	Ivory Finvest Limited	5,63,047	11,40,656
	V. K. Bhandari	5,28,658	2,20,513
	Deepak Bhandari	69,699	-
2	Rent Paid		
	Sobha Bhandari	15,74,220	15,74,220
3	Office Maintenance		
	Sobha Bhandari	1,65,340	-
4	Fees & Subscription		
	V. K. Bhandari	9912	9912
5	Professional Services		
	Supertron Infotech Pvt. Ltd.	72000	-
6	Dividend:		
	Ivory Finvest Limited	9,51,750	9,51,750
	Deepak Bhandari	5,75,250	5,75,250
	V. K. Bhandari	13,79,700	13,79,700
	Vishnu Kumar Bhandari (HUF)	6,82,213	6,82,213

d)

e)

f)

g)

Notes to the Financial Statements for the year ended 31st March, 2020

27. Additional Informations and Disclosures (Contd.)

Sr No.	Particulars	Transaction 2019-20 (₹)	Transaction 2018-19 (₹)
7	Receiving of Services:		
	V. K. Bhandari	3,24,40,000	3,99,40,000
8	Sale of goods		
	Supertron Electronics PTE Limited	1,17,14,611	-
9	CSR Expenditure		
	Supertron Foundation	34,50,000	30,00,000
10	Business Promotion		
	Supertron Electronics PTE Limited	-	9,00,000
	CLOSING BALANCE:		
	Investment in Subsidiary Company		
	Supertron Electronics PTE Limited	53,466	53,466
	Advance Given		
	Supertron Electronics PTE Limited	26,25,500	26,25,500
	Sundry Debtors		
	Supertron Electronics PTE Limited	1,17,14,611	-
) EXPE	NDITURE IN FOREIGN CURRENCY:		
Part	iculars	2019-20	2018-19
Fore	ign Travel	18,63,730	30,26,612
Profe	essional/Consultancy Fees/Others	50,52,563	48,12,675
) CIF V	ALUE OF IMPORTS		
Parti	iculars	2019-20	2018-19
Impo	ort of Finished Goods	855,41,36,937	901,73,92,241
FORE	IGN EXCHANGE EARNINGS:		
Parti	iculars	2019-20	2018-19
Ince	ntives Receipt	53,89,65,534	6,32,08,502
Expo	ort of Goods (on FOB Basis)	1,20,45,389	82,24,167
) EARN	NINGS PER SHARE:		
Parti	iculars	2019-20	2018-19
Profi	t after tax available for Equity Shareholders ($\overline{f e}$)	27,07,63,841	28,20,67,228
Weig	ghted average number of shares - outstanding	104,93,600	104,93,600
Earn	ings per share ₹	25.80	26.88
(Basi	ic & Diluted) (Equity Shares of ₹10/- each)		

- h) The Balances of trade receivables and trade payables are subject to confirmations from the parties. However the Company is getting the balances of Debtors and Creditors confirmed from time to time.
- i) The Company's sole business segment is Information, Communication & Technology Products, hence the need for separate disclosure as required under Accounting Standard 17 Segment Reporting is not applicable.
- j) The previous year's figures have been accordingly re-grouped/re-classified to conform to the current year's classification.
- k) On 20 September 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BBA in the Income Tax Act, 1961, which provides domestic companies an option to pay income tax

27. Additional Informations and Disclosures (Contd.)

at reduced rate effective 1 April 2019, subject to certain conditions. The management has decided to opt for this option, tax expense has been provided @ 25.17% (22% basis plus 10% surcharge plus 4% Cess).

I) INTEREST IN OTHER ENTITIES:

i. The subsidiary considered in preparation of these consolidated financial statements is:

Particulars	Principal activities	Proportion of ownership interest		Country of
		As at 31 March 2020	As at 31 March 2019	Incorporation
Supertron	Distribution of Information	100%	100%	Singapore
Electronics	Technology and			
Pte Ltd.	Telecommunication products			

ii. Additional Information pursuant to Schedule III of the Companies Act, 2013

Name of the Company	Net Assets (total assets minus total liabilities)		Share in pr	ofit or loss
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
Parent Supertron Electronics Pvt. Ltd. Subsidiary	99.84%	1,91,40,96,899	99.38%	26,88,93,958
Substanty Supertron Electronics Pte Ltd. Total	0.16% 100%	31,14,505 1,91,72,11,404	0.62% 100%	16,85,072 27,07,63,841

- m) Due to outbreak of COVID 19 globally and in India, the Company's management has made initial assessment of no material impact on business and financial risks. The management does not see any medium to long term risks in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.
- n) The previous year's figures have been accordingly re-grouped/re-classified to conform to the current year's classification.

In terms of our report of even date

For D K Chhajer & Co. Chartered Accountants FRN: 304138E

Niraj Kumar Jhunjhunwala *Partner* Membership No. : 057170

Place: Kolkata Dated: 30th September 2020 V.K. Bhandari Chief Executive Officer & Director DIN 00176658

Raju Chandak Company Secretary ACS 18070 N.K. Meharia Chief Financial Officer & Director DIN 03152656

Nc	otes
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Corporate Information

Board of Directors

Mr. Vishnu Kumar Bhandari, CEO & Director

Mr. Deepak Bhandari, Director (Sales)

Mr. Vibhor Agarwal, Director (Marketing)

Mr. Nirmal Kumar Meharia, CFO & Director

Company secretary

Mr. Raju Chandak

Auditors

D. K. Chhajer & Co. *Chartered Accountants*

Nilhat House 11, R. N. Mukherjee Road, Ground Floor, Kolkata - 700 001

Registered office

Supertron House 2 Cooper Lane, Kolkata - 700001 CIN: U32109WB1993PTC058211

Branches

North: New Delhi, Lucknow, Jaipur, Ghaziabad, Ludhiana, Chandigarh, Dehradun, Indore, Noida, Gurgaon, Parwanoo, Jammu and Jabalpur

East: Kolkata, Ranchi, Bhubaneswar, Patna, Guwahati, Raipur and Siliguri

West: Mumbai, Pune, Nagpur, Ahmedabad, Goa and Surat

South: Bangalore, Secunderabad, Kochi, Chennai, Coimbatore, Vijaywada, Madurai, Kozhikode, Hubli, and Pondicherry

Bankers

Karnataka Bank Park Street Branch, Kolkata

State Bank of India Commercial Branch, Kolkata

ICICI Bank Gurusaday Road Branch, Kolkata

HDFC Bank Gurusaday Road Branch, Kolkata

IDFC Bank Ballygunge Circular Road, Kolkata

Union Bank of India India Exchange Place, Kolkata

A TRISYS PRODUCT info@trisyscom.com



Supertron House

2 Cooper Lane, Kolkata - 700001