

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 54th Directors' Report and Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS:

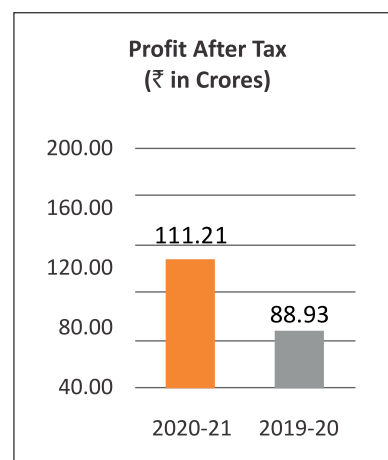
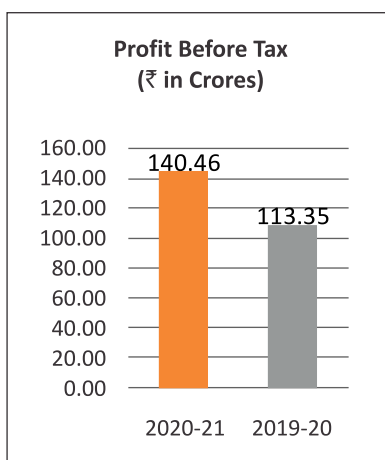
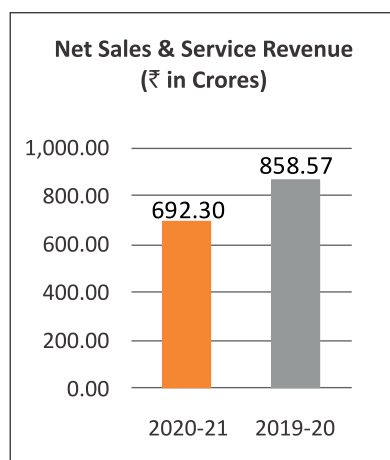
(₹ in lakhs)

PARTICULARS	2020-2021	2019-2020
Net Sales and Service Income	69230.99	85857.57
Profit before Finance cost and Depreciation	14931.27	12235.30
Finance Cost	0.01	0.46
Depreciation	885.16	899.24
Profit Before Tax	14046.10	11335.60
Current Tax	2481.74	2990.48
Deferred Tax	252.39	(619.57)
Income Tax of earlier year	90.29	26.98
Net profit after Tax before comprehensive loss	11221.68	8937.71
Other Comprehensive Loss	(100.14)	(43.86)
Net Profit after Tax	11121.54	8893.85

PERFORMANCE REVIEW & STATE OF THE COMPANY AFFAIRS:

A) OPERATIONS :

In the year under review, the Company has posted a sales and service revenue of ₹ 692.30 crores as compared to ₹ 858.57 crore in the previous year. The sales in term of volume decreased to 8729 MVA as compared to 10297 MVA in the previous year. The Profit Before Tax (PBT) increased to ₹ 140.46 crores, as compared to ₹ 113.35 crores in the previous year and Profit After Tax (PAT) increased to ₹ 111.21 crores, as compared to ₹ 88.93 crores in the previous year. However operating profit was down to ₹ 69.68 crores compare to ₹ 107.38 crores in the previous year.



During the year on the business front barring first two quarters of the year, the Company weathered the pandemic very well and able to maintain balance sheet quality and satisfactory performance in most turbulence time which we have not seen in generations. The GDP growth was back in positive territory (+0.4%) in 3Q FY: 20-21 after a decline of 24.4% and 7.3% respectively in 1Q FY: 20-21 and 2Q FY: 20-21. India saw a V-shaped recovery as most consumption and industrial indicators were back in positive growth territory in the September-December quarter after being in deep negative in the June quarter. The situation started improving slowly but suddenly the more widespread and intense second wave of the

pandemic started from the beginning of FY:21-22. Second wave is more intense compared with the first wave and it has been a setback for India's fledging economic recovery. The second wave of pandemic has led to the reimposition of lockdown across states, resulting in loss of economic activity and disruption in industrial activities. The uncertainty created by second wave is setback for the revival of the economy across regions.

In this uncertain environment created by pandemic and unprecedented rise in major raw material prices, based on position as on date the Company may not be able to sustain past period margins in FY:21-22. However, Company believes these are short term challenges and it continues to pursue its long term growth strategy. With a robust manufacturing base, strong brand affinity, and a competent workforce we are confident to lead the recovery in shorter period in post pandemic phase and strive to sustain profitable and industry level growth in medium term.

The financial year 2021-2022 started with an order backlog of ₹ 317.75 crores (4431 MVA).

For detailed analysis of the performance, please refer to the Management Discussion and Analysis section of the Annual Report given in Annexure-IV.

B) COVID-19 UPDATE:

The COVID-19 pandemic is a global humanitarian and health crisis, which continues to impact all our stakeholders: employees, customers, vendors, investors and communities in which we operate in. The actions taken by various state governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. While vaccines have been made available, there are delays in vaccinating larger populations, increased instances of variants and infections, and consequential stress on the health sector. Consequently, market demand in some segments and supply chains have been affected. India, is experiencing a second wave of infections, including with new variants of the COVID-19 virus. In second wave there is a marked increase in the number of cases across regions and a small percentage of the Company employees or their families have been adversely affected. In addition, India may experience future waves, which may further stress the healthcare ecosystem.

The Company accorded paramount priority to employees health and safety, continuously review the rapidly changing situation to ensure that measures are continuously implemented to keep employees safe during the covid-19 pandemic and adopted following steps to combat Covid-19 pandemic situation., and keep business going:

- Suspension of all domestic and international travel.
- Enhanced sanitization at factories.
- Work from home policy, wherever feasible.
- Educate employees about importance of masks, social distancing, hygiene, and self-evaluation.
- Engage with customers digitally through webinars for knowledge sharing, business development, remote technological negotiations and service support for trouble shooting and commissioning.
- Executed remote factory acceptance tests on products to help customers to complete their projects in time.
- One time financial aid to all employees (on roll and contract) to mitigate financial hardship.

C) UPDATE ON AMALGAMATION OF KUNJAL INVESTMENTS PVT. LTD AND VOLTAMP TRANSFORMERS LTD :

The Board of Directors of the Company, at its meeting held on 11th May, 2020 have considered and approved a Scheme of Amalgamation (the "Scheme") between Voltamp Transformers Limited ("VTL" or "Company") and Kunjal Investments Private Limited ("KIPL"), under Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("2013 Act").

The Scheme contemplates the amalgamation of KIPL with the Company and the dissolution without winding up of KIPL pursuant thereto.

The Scheme has received requisite approval from the statutory authorities including SEBI, Stock Exchanges, Reserve Bank of India and the respective shareholders and creditors (secured and unsecured) of the Company and Kunjal Investments Pvt. Ltd (KIPL). Both the stock exchanges vide their letter dated February 25, 2021 directed the Company to file amalgamation Scheme with Hon'ble National Company Law Tribunal ("NCLT") Ahmedabad bench for its sanction. As per the said direction Company have filed application under Section 230 to 232 of the Companies Act, 2013 read with Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 seeking direction for convening and holding the meetings of Equity

shareholders, Secured Creditor and Unsecured Creditors for considering and if thought fit, approving with or without modification, a Scheme of Amalgamation of Kunjal Investments Pvt. Limited with Voltamp Transformers Limited. The Hon'ble National Company Law Tribunal (NCLT), by an order dated March 24, 2021 in the Company Application No. CA (CAA) NO.12/NCLT/AHM/2021 has directed inter alia, that a meeting of the Equity shareholders, Secured Creditor and Unsecured Creditors of the Company be convened and held on Tuesday, April 27, 2021 through video-conferencing (VC) or other audio-visual means (OAVM) to consider, and if thought fit, to approve with or without modification, the proposed Scheme of Amalgamation between Kunjal Investments Private Limited ('the Transferor Company') and Voltamp Transformers Limited ('the transferee Company'). Pursuant to the said Order, the meetings of Equity Shareholders, Secured Creditor and Unsecured Creditors were held on April 27, 2021, through video conferencing / other audio visual means, in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. Said scheme was approved with requisite majority by Equity shareholders, Secured Creditor and Unsecured Creditors of the Company.

Voting Results of the aforesaid meetings are available on the website of the Company. Detail report on said meeting along with Chairman Report and Scrutinizer's Report was filed with Hon'ble Tribunal for further process.

Final hearing in the said scheme was fixed on 09th June, 2021 but on account of non availability of bench on the day of hearing matter stands adjourned for hearing on 29th June, 2021. After getting sanction from the Hon'ble NCLT (Ahmedabad) bench, amalgamation scheme shall be effective from filing of certified true copy of the order with ROC office. Pending such approvals, no accounting effect of the above mentioned Scheme has been given in the financial statements for the year ended 31st March, 2021.

DIVIDEND:

The Board of Directors has recommended a dividend of ₹ 25 per equity share having face value of ₹ 10 each, subject to the approval of the members at the 54th Annual General Meeting ("AGM"). In the previous year, the Company had paid an interim Dividend of ₹ 25 per equity share of ₹ 10 each.

AMOUNT PROPOSED TO BE TRANSFERRED TO RESERVES :

The Company has made no transfer to reserves during F.Y. 2020-21.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business during the financial year 2020-21.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

During the year 2020-21 no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Your Company has no Subsidiary/Joint Ventures/Associate Companies.

DEPOSITS:

Your Company has not accepted any deposit during the year and there was no deposit at the beginning of the year. Therefore, Chapter V of the Companies Act 2013 relating to acceptance of deposits is not applicable and hence, no detail of the deposit is given in the report.

SHARE CAPITAL:

During the year under review, the Company has neither issued any securities nor has taken any Corporate Action for cancellation of issues securities, hence, there is no change in share capital structure of the Company.

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

The unclaimed dividend amount aggregating to ₹ 2,04,135 for the financial year ended on 31st March, 2013 was transferred to the Investor Education and Protection Fund established by the Central Government, during the financial year ended March 31, 2021, pursuant to Section 124 of the Companies Act, 2013. During the year Company has also transferred shares on which dividend remained unclaimed and unpaid for a period of consecutive seven years pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments issued thereto by the Ministry of Corporate Affairs, Government of India.

DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosure of particulars relating to conservation of energy and technology absorption and foreign exchange earnings and outgo as required by Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure – I** forming part of this report.

EMPLOYEES:

The industrial relations during the year under review have remained cordial and satisfactory. The Board thanks all the Employees for their valuable contribution to the working of the Company.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees and the Disclosure pertaining to remuneration and other details are set out in the **Annexure - II** to the Directors' Report. However, as per the provisions of Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to the shareholders without this Annexure. Shareholders interested in obtaining a copy of the Annexure may write to the Company Secretary at the Company's Registered Office. The information is also available for inspection at the corporate office during working hours up to the date of the Annual General Meeting.

CORPORATE GOVERNANCE:

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance is given in **Annexure –III** along with certificate from M/s. CNK & Associates LLP, Chartered Accountant (FRN : 101961W), confirming compliance with the requirement of Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis Report which forms part of this Report as **Annexure - IV**.

STATUTORY AUDITORS:

At the 50th Annual General Meeting held on 12th August 2017, M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W), were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the Annual General Meeting to be held in the year 2022.

The Report issued by M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W), Statutory Auditor for FY 2020-21 does not contain any qualification, reservation, adverse remark or disclaimer.

The Auditor's certificate confirming compliance with conditions of corporate governance as stipulated under Listing Regulations, for FY: 2020-21 is enclosed to the Directors' Report.

COST AUDITORS:

The Board of Directors, on recommendation of the Audit Committee, has re-appointed M/s Y.S. Thakar & Co., Cost Accountants (Firm Registration No.000318) as Cost Auditor of the Company, for the Financial year ending March 31, 2022 at a remuneration as mentioned in the Notice convening the 54th AGM and same is recommended for your consideration and ratification.

The maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained. The Company has filed the Cost Audit Report for F.Y. 2019-20 on 8th September, 2020, which is within the time limit prescribed under the Companies (Cost Records and Audit) Rules, 2014. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDITORS:

In accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. J. J. Gandhi & Company, Practicing Company Secretaries, Vadodara, to conduct the Secretarial Audit of the Company for the year ended 31, March 2021. The Secretarial Auditor has submitted their report which is appended to this Report as **Annexure V**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

AUDIT COMMITTEE :

The Company has an Audit Committee pursuant to the requirements of the Act read with the Rules framed thereunder and LODR. Powers and role of the Audit Committee are included in Corporate Governance Report forming part of this report.

COMMITTEES OF THE BOARD

The details of all committees and their terms of reference are set out in the Corporate Governance Report.

RISK MANAGEMENT POLICY AND INTERNAL FINANCE CONTROL ADEQUACY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks in achieving key objectives of the Company. The Company has developed and implemented Risk Management Policy of the Company to identify & evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The internal control systems are commensurate with the nature, size and complexity of the business of the Company. These are routinely tested and certified by Statutory as well as Internal Auditors.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of the Company at their meeting held on 14th August, 2020 have appointed Smt. Paulomi J. Lashkari as an Additional Director (Woman Independent) of the Company, w.e.f. 14th August, 2020 to hold office up to the ensuing Annual General Meeting pursuant to section 161 (1) of the Companies Act, 2013 (the "Act") and the rules made thereunder. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Smt. Paulomi J. Lashkari is proposed to be appointed as an Independent Director for five (5) consecutive years effective from 14th August, 2020 to 13th August, 2025. Appropriate resolution for the appointment of Smt. Paulomi J. Lashkari as an Independent Director of the Company is being placed for the approval of shareholders of the Company at this AGM. The brief resume and other related information has been detailed in the Notice convening 54th AGM of the Company.

The Board of Directors of the Company at their meeting held on 14th August, 2020 have appointed Shri Rajendra C. Patel as an Additional Director (Independent) of the Company, w.e.f. 14th August, 2020 to hold office up to the ensuing Annual General Meeting pursuant to section 161 (1) of the Companies Act, 2013 (the "Act") and the rules made thereunder. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Shri Rajendra C. Patel is proposed to be appointed as an Independent Director for five (5) consecutive years effective from 14th August, 2020 to 13th August, 2025. Appropriate resolution for the appointment of Shri Rajendra C. Patel as an Independent Director of the Company is being placed for the approval of shareholders of the Company at this AGM. The brief resume and other related information has been detailed in the Notice convening 54th AGM of the Company.

The Board of Directors of the Company by resolution dated 14th August, 2020, appointed Smt. Taral K. Patel (DIN: 00023066) as an Additional Director (Non-executive), liable to retire by rotation of the Company w.e.f. 14th August, 2020 to hold office up to the ensuing Annual General Meeting pursuant to section 161 (1) of the Companies Act, 2013 (the "Act") and the rules made thereunder. Appropriate resolution for the appointment of Smt. Taral K. Patel (DIN: 00023066) as a Non-executive Director of the Company is being placed for the approval of shareholders of the Company at this AGM. The brief resume and other related information has been detailed in the Notice convening 54th AGM of the Company.

During the year, there is no change in Key Managerial Personnel of the Company.

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT:

Shri Kanubhai S. Patel, Chairman and Managing Director of the Company is liable to retire by rotation at this 54th AGM, pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and being eligible, has offered himself for re-appointment. Appropriate resolution for his reappointment is being placed for the approval of shareholders of the Company at this AGM.

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 134(3) (c) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them in the normal course of their work, state that, in all material respects:

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2021 and of the profit of the Company for that period;
- (c) that proper and sufficient care has been taken for the 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 fraud and other irregularities;
- (d) that Financial Statements have been prepared on a going concern basis;
- (e) that internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively. and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

INDEPENDENT DIRECTORS:

The Independent Directors hold office for a fixed term and are not liable to retire by rotation.

Each Independent Director has given written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also submitted a declaration that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, pursuant to Regulation 25 of the Listing Regulations.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year under review, five Board Meetings of the Board of Directors were held. The details of the attendance of Directors at the Board Meetings are mentioned in the report on the Corporate Governance annexed hereto.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as **Annexure - VI** to this Report. The Policy has been posted on the website of the Company (http://www.voltamptransformers.com/pdf/nomination_remuneration_policy.pdf)

ANNUAL EVALUATION BY THE BOARD:

The evaluation framework for assessing the performance of Board including the individual Directors are based on certain key measures, viz. Attendance of Board Meetings and the Committee Meetings, qualitative contribution in deliberations on agenda items, long term view in the inputs regarding development and sustainability of the Company and consideration of shareholders and other stakeholders' interests.

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board does not participate in the discussion of his / her evaluation. The Board of Directors has expressed their satisfaction to the evaluation process.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

There are no guarantees and securities given in respect of which provision of section 186 of the Act are applicable. Provision of section 186 in respect of loans and advances given and investment made have been complied with by the Company. Details of the same is available in notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1):

There are no contracts or arrangements entered into with related parties, except payment of managerial remuneration to Managing Directors and Whole-time Director. Further, the policy on Related Party Transactions duly approved by the Board of Directors of the Company has been posted on the website of the Company. (http://www.voltamptransformers.com/pdf/related_party_transactions_policy.pdf)

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors, pursuant to Section 135 of the Companies Act, 2013 and CSR policy has also been framed by the Board as per the said Section and the Rules made thereunder. The Policy on CSR has been posted on the website of the Company (http://www.voltamptransformers.com/pdf/corporate_social_responsibility_policy.pdf).

The details about initiatives taken by the Company on Corporate Social Responsibility during the year is appended at **Annexure - VII** of the report.

EXTRACT OF ANNUAL RETURN:

Extract of Annual Return in Form MGT-9 as on 31.03.2021 is appended to this Report as **Annexure VIII**, in compliance with section 134(3)(a) of the Act.

ANNUAL RETURN:

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company can be accessed at <http://www.voltamptransformers.com>.

VIGIL MECHANISM /WHISTLE BLOWER POLICY:

The Whistle Blower Policy (Vigil Mechanism) was constituted by the Board of Directors, pursuant to Section 177 of the Companies Act, 2013 and the Rules made thereunder to report genuine concerns of Directors and Employees. The Policy has been posted on the website of the Company (http://www.voltamptransformers.com/pdf/whistle_blower_policy.pdf).

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaints were reported to the Board.

BUSINESS RESPONSIBILITY REPORT:

As stipulated under the listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached in the format prescribed as **Annexure IX** and forms integral part of the Annual Report.

SECRETARIAL STANDARD:

The Company comply with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

APPRECIATION AND ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the continued support & co-operation extended during the year by the Company's customers, business associates, vendors, bankers, investors, Govt. authorities & other Stakeholders.

The Board also expresses its appreciation towards the contribution made by all the Employees of the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara
Date : June 25, 2021

KANUBHAI S. PATEL
CHAIRMAN & MANAGING DIRECTOR