



GUINDY MACHINE TOOLS LIMITED

**ANNUAL REPORT
2020 - 2021**



An ISO 9001 & 14001 Company
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GUINDY MACHINE TOOLS LIMITED

Incorporated under Companies Act, 1956

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GENERAL INFORMATION

(i) **BOARD OF DIRECTORS:**

Chairperson cum Whole Time Director	-	Smt. Leela Venkat Raman
Executive Vice Chairperson	-	Smt. Jayashree S. Mani
Managing Director	-	Shri. B. Venugopal
Director	-	Shri. K. Jagannathan
Director	-	Shri. R.Venkatakrishnan

(ii) **AUDITORS:**

M/s. Vijayaraghavan & Associates,
Chartered Accountants,
New no. 51, (Old no. 23), Giri Road,
T. Nagar, Chennai – 600 017

(iii) **BANKERS:**

M/s. State Bank of India,
SME Branch (Branch Code: 04327),
Guindy, Chennai – 600 032.

(iv) **OUR DIVISIONS:**

- 1. Work Holding & Machine Tools Division,**
No. 214, Velachery – Tambaram Main Road,
Pallikaranai, Chennai – 600100.
- 2. Metrology Division**
Plot No. 104/2, SIPCOT Industrial Complex,
Hosur – 635126.



GUINDY MACHINE TOOLS LIMITED

CIN: U29130TN1959PLC003951 | MSME Regn. No.: UDYAM-TN-02-0000806

Regd. Off. & Works: 214 (Old No.196), Velachery –Tambaram Main Road,

Pallikaranai, Chennai – 600 100, India.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021

Dear Shareholders,

Your Directors have pleasure in presenting this 62nd Annual Report on the business and operations of the Company and Audited Financial Statements of the company for the financial year 2020-21 along with the Auditors' Report thereon.

1. FINANCIAL PERFORMANCE:

During the year under review, your Company's Sales turnover is **Rs. 2159.66** Lakhs as compared to **Rs. 2643.17** Lakhs in the year **2019-2020**, and Company's Profit is **Rs.146.20** Lakhs as compared to **Rs. 217.63** Lakhs in the year **2019-2020**.

The year under review started with COVID Crisis, which has affected the economies worldwide. The Outbreak of the COVID – 19 pandemic has created an unfavourable impact on the market as with a decline in the Auto Industry, machine tools orders have decreased rapidly.

During the year, the Company was not operated in the month of April and May 2020 due to Lockdown imposed by the Government. The Company resumed its operations with 50% of the workforce in June-2020 & July-2020, and 75% of the workforce in August-2020. The Company starts operation with 100% of workforce since September 2020.

During the year under review, due to several lockdowns consequent to the Covid Crisis, your Company's overall period of operation was not more than 9 months, although it has achieved a monthly average turnover of **Rs. 240 Lakhs** (i.e., 9 Months average) in the year 2020-2021 as compared to **Rs.220 Lakhs** (i.e., 12 months average) in the year 2019-2020.

The Results of the year's operation are as under: (Rs. In Lakhs)

Sl. No.	Particulars	FY 2020-21	FY 2019-20
1	Total Income (Including Other Income)	2290.72	2785.73
2	Less : Expenditure	2025.13	2433.06
3	Profit before Depreciation	255.59	352.67
4	Less : Depreciation	119.39	135.04
5	Profit before Tax	146.20	217.63
6	Less : Income Tax Provision	60.00	78.00
7	Net Surplus available for Appropriation	86.20	139.63

2. DIVIDEND:

During the year under review, the Board of Directors had proposed a dividend of Rs. 2 per Equity Share of Rs.10/- each, amounting to Rs.72.63 Lakhs for the financial year ended 31st March, 2021

The Unclaimed dividend relating to Financial Year 2012-13, is due for remittance in September 2021 to Investor Education and Protection Fund (IEPF) established by Central Government.



3. GENERAL RESERVE:

No sum will be proposed to transfer to the Reserves.

4. APPROPRIATION:

The Board of Directors has resolved to appropriate the balance surplus as under:

Rs. In Lakhs

Particulars	FY 2020-21	FY 2019-20
Profit as per Current Year's Profit and Loss Account	86.20	139.63
Add: C/o. from last year Profit and Loss Account	1569.33	1501.85
Less: Deferred Tax Asset	(11.77)	5.25
Prior period short provision for Taxation (Net)	6.43	1.33
Surplus available for appropriation	1660.87	1634.90
Interim / Special Dividend including Tax	-	65.57
Provision for Dividend	72.64	-
Transfer to General Reserve	-	-
Balance in Profit and Loss Account carry forward to next year	1588.23	1569.33

5. FUTURE PROSPECTS & MARKET SCENARIO:

Although the world is still in the grip of Covid, the Indian Market has shown growth in the first quarter of the financial year. As the course of the virus is unpredictable, we remain cautiously optimistic that the current trend will be sustained.

6. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:

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

7. 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 under review there have been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

8. SUBSIDIARY COMPANY:

As on March 31, 2021, the Company does not have any subsidiary.

9. STATUTORY AUDITORS & AUDITORS' REPORT:

The statutory auditors of the Company, M/s. Vijayaraghavan & Associates, Chartered Accountants, (FRN: 005699S) having its office at New no. 51 (Old no. 23), Giri Road, T.Nagar, Chennai – 600 017, hold office until the conclusion of the 66th Annual General Meeting of the Company and is eligible for re-appointment. Your directors recommend their re-appointment as Statutory Auditors of the company.

10. CHANGES IN NATURE OF BUSINESS:

There is no change in the nature of the business of the Company.

11. ACCOUNTING POLICIES:

All significant accounting policies adopted in the preparation and presentation of financial statements are disclosed in Annexure - I. There is no change in the accounting policies adopted.

12. DEPOSITS:

The Company has not invited / accepted any deposits from the public during the year ended March 31, 2021. There were no unclaimed or unpaid deposits as on March 31, 2021.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure-II".

14. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to formulate policy on corporate social responsibility and to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013.

15. DIRECTORS:

The Present Directors of the Board are Smt. Leela Venkat Raman (Chairperson), Smt. Jayashree S. Mani (Executive Vice Chairperson), Shri. B. Venugopal (Managing Director), Shri. K. Jagannathan (Director) and Shri. R. Venkatakrishnan (Director).

Smt. Jayashree S Mani (Executive Vice Chairperson) and Shri. K. Jagannathan (Director) will retire by rotation at the Annual General Meeting of the Company as per the provisions of the Articles of Association of the Company and being eligible to offer themselves for re-appointment.

16. NUMBER OF MEETINGS OF THE BOARD: -

During the year 2020-21, the Board of Directors met five times viz. on 18-Jul-2020, 30-Jul-2020, 15-Oct-2020, 25-Dec-2020 & 25-Feb-2021.

17. MANAGERIAL REMUNERATION:

Computation of Managerial Remuneration is furnished in Annexure – III and it is attached to this Report.

18. DIRECTORS' RESPONSIBILITY STATEMENT: -

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

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



19. ENVIRONMENT AND CERTIFICATION:-

Earlier your Company has retained the accreditation of its Quality systems in line with ISO 9001 – 2008 and Environmental systems in line with ISO 14001:2004, now it was combined and managed as an Integrated Management System. The Company has obtained the accreditation for its management system in line with ISO 9001-14001:2015 certification.

Several activities such as Rainwater Harvesting, Sewage Treatment, and separation and disposal of scrap as per government guidelines have been initiated already. Requirements of Environment Management System (EMS), for protection of environment are under periodic review and improvement.

20. PARTICULARS OF LOAN GUARANTEE (OR) INVESTMENTS:

There was no Investment under Section 186 made during the year.

21. DECLARATION OF INDEPENDENT DIRECTORS:-

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

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

During the year under review, no such contracts or arrangements were made with related parties.

23. ACKNOWLEDGEMENT:

Your Directors place on records their appreciation of the invaluable contribution made by our employees which made it possible for the Company to achieve these results. They would also like to take this opportunity to thank the Customers, Dealers, Vendors, Bankers and our Valued Shareholders for their valuable contribution and look forward to their continued support in the years to come.

// By Order of the Board //

Sd/-

Place : Chennai
Date : 09.09.2021

(B. VENUGOPAL)
Managing Director
DIN: 00186010

Sd/-

(LEELA VENKAT RAMAN)
Chairperson
DIN:00186313

ANNEXURE – I

SIGNIFICANT ACCOUNTING POLICIES

A. Corporate information:

a. The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India with Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounting) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention and they are also consistent with those used in the previous year.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost includes all incidental expenses related to acquisition and installation. Any subsidy / reimbursement / contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work-in progress is stated at cost.

d. Depreciation:

Pursuant to the notification of Schedule II [read with Notification G.S.R. 627(E) dated 29 August 2014], the Company has revised the estimated useful life of the assets to align with those specified in Schedule II. The details of previously applied depreciation / useful life are as follows:

Category of asset	Depreciation / Useful life
Buildings	09.50% ~ 30 years
Plant & machinery	18.10% ~ 15 years
Office Equipment	45.07% ~ 5 years
Computer	63.16% ~ 3 years
Motor Cars	31.23% ~ 8 years
Motor bus/van	31.23% ~ 8 years
Two Wheelers	25.89% ~ 10 years
Furniture & Fixtures	25.89% ~ 10 years
Electrical fittings	25.89% ~ 10 years

Depreciation is calculated in a manner that amortizes the cost of the assets (or other amount substituted for cost), less its residual value (5% of cost), over their useful lives as specified above. Pursuant to the transition provision prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of its residual value, where the remaining useful life of the asset was determined to be NIL as on April 01, 2015. Further the assets purchased prior to 01-April-2000 are fully written-down to their salvage value. Assets costing Rs.5,000/- or less are depreciated at 100% in the year of acquisition.

e. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is impaired when carrying amount of an asset exceeds the recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



f. Operating Cycle:

Based on the nature of business activities of the Company and the normal time between the acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities, as current and non-current.

g. Valuation of Inventories:

Raw Materials, Work-in-process, Consumable stores and Finished goods are valued at cost.

h. Revenue Recognition:

Income and Expenditure, unless otherwise stated, are accounted on accrual basis

i. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency are translated at closing rate. Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of Profit and Loss in the period it arises.

j. Employees Benefits:

Short Term Employees Benefits are recognized in the year during which the services have been rendered.

a) Long Term Employee Benefits:

Employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. Also, eligible employees of the Company are covered under the Employees' State Insurance Schemes, which are also defined contribution schemes recognized and administered by the Government of India.

b) Gratuity & Leave Salary:

The liability for Gratuity & Leave Salary to eligible employees is being accounted on accrual basis. The liability is on the basis of actuarial valuations.

k. Income Taxes:

Tax expense comprises of current & deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on account 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, are recognized at the rate of income tax prevailing or substantively enacted tax rate at the reporting date.

l. Provision, contingent liabilities & contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is provable that there will be an out flow of resources.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

m. Earnings per Share:

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

n. Cash Flow Statement:

Cash Flow is reported using the indirect method, whereby profit or loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated based on available information including taxes paid relating to these activities.

o. Foreign Currency Transactions:

Foreign Currency Transactions were accounted at the Exchange rates prevailing at the date of transactions and the Closing Balance was revalued at the exchange rate as of 31-Mar-2021.



ANNEXURE – II

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

A. Conservation of Energy:

(I) the steps taken or impact on conservation of energy:

This process is under constant review and systems are currently at optimum.

B. Technology Absorption:

(i) the benefits derived like product improvement, cost reduction, product development or import substitution:

- a. New Special Product line was developed to reduce the risks of dependence on a limited number of market segments and improve the profitability.
- b. To render our products affordable for small and medium scale engineering units and automobile ancillary units.
- c. To enhance the durability of our products and their application by user industries.

(ii) In case of imported technology (imported in the last three years) reckoned from the beginning of the financial year:

There was no import of Technology. Technology is developed in-house and is regularly used in the lines of production and periodically updated.

C. Foreign Exchange Earnings and Outgo:

The Company's main line of business is manufacturing work holding, work positioning, machine tools and metrology products. The Company has achieved Export Turnover of Rs.10.04 Lakhs during the year 2020 – 2021, as compared to Rs.18.86 Lakhs in the previous year, 2019 – 2020.

(Rs. In Lakhs)

Particulars	2020-21	2019-20
Total Foreign Exchange Received		
On Sale of Products	10.04	18.86
On Agency Commission	3.89	6.97
Total Foreign Exchange used:		
i) Raw Materials	-	-
ii) Consumable Stores	0.84	0.41
iii) Capital Goods	-	-
iv) Foreign Travels	-	-
v) Others	-	9.90

ANNEXURE - III

COMPUTATION OF CEILING OF MANAGERIAL REMUNERATION

I. COMPUTATION OF NET PROFIT AS PER SEC.198 OF COMPANIES ACT, 2013

Particulars		Amount in Rs.	
Profit before Tax as per P&L Statement			1,46,19,721
Add:	Managerial Remuneration	61,50,000	
	Provision for Bad Doubtful Debts	68,006	62,18,006
Less:	Profit on sale / Disposal / Discarding of Assets	43,715	
	Profit on sale of Investment	(17,220)	
	Gain in the value of Foreign currency monetary Assets	(48,215)	(21,720)
Net profit as per Sec. 198 of Companies Act, 2013			2,08,59,447

1. Ceiling of Managerial Remuneration as per Companies Act, 2013:

11% of the Net Profit computed above: Rs. 22,94,539/- p.a

2. Ceiling as per PART-II of Schedule-V of the Companies Act, 2013:

As the paid-up Share capital is less than Rs. 5 Crores, Ceiling of Managerial Remuneration p.a. is: Rs. 60,00,000/- p.a.

As there is an inadequacy of profit, the Remuneration paid during this financial year is subject to the approval of the Shareholders by a Special Resolution to be passed in the Annual General Meeting.

AUDITORS' REPORT

To the members of M/s. Guindy Machine Tools Limited

Report on the Standalone Financial Statements:

Opinion:

We have audited the accompanying Standalone financial statements of GUINDY MACHINE TOOLS LIMITED, which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and statement of cash flows 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 standalone 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 Company as of March 31, 2021, and profit, and its cash flows for the year ended on that date.

Basis of 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 the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgement 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 management's used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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 reasonable be thought to bear on our independence, and where applicable related safeguards.



Emphasis of Matter

We draw attention on Note to financials statements which explaining impact of COVID – 19. This has caused significant audit challenges, one such challenge being inability to conduct Physical Verification of inventories for the year ended March 31, 2021, due to Lockdown imposed by the Government. It was represented that the company's management conducted Physical Verification of inventories on different dates prior to approval of accounts by the Board. We have performed alternate audit procedures based on documents and other information available to us. We have obtained sufficient audit evidence.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure – A", statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Company does not have any branch offices.
- d. 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.
- e. In our opinion, the aforesaid 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.
- f. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, referred to our separate report in "Annexure – B"
- 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:
 - o The Company does not have any pending litigation which would impact its financial position.
 - o The Company didn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - o Rs.1,99,745/- is due for transfer to the Investor Education and Protection Fund by the Company and 13,650 shares liable to be transferred in respect of unclaimed members is yet to be done.

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No: 15103

Firm Reg. No: 005699S

UDIN : 21015103AAAANU6570

Place : Chennai
Date : 09.09.2021

“Annexure - A” to the Auditors’ Report

Referred to in paragraph 1 under the heading “Report on Other Legal & Regulatory Requirements” of our report of even date to the financial statements of the Company for the year ended March, 31, 2021:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c) The title deeds of immovable property are held in the name of the Company.
2. a) The Inventories have been physically are held by the management during the year at reasonable intervals
- b) The discrepancies notices on physical verification of the inventory as compared to books records which has been properly dealt with the books of accounts were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of Loans, Investments, guarantees and security.
5. The company has not accepted any Deposits from public and the provisions of Section 73 to 76 (both inclusive) of Companies Act, 2013, and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed records have been maintained.
7. According to the information an explanation given to us and the records examined by us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Goods and Service Tax, Custom Duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they become payable.

According to the information and explanations given to us, there were some disputed statutory dues in the books of the company for which they have an appeal with the Authority and the details of the same are provided below:

Sl. No.	Financial Year	Value Rs. In Lakhs	Particulars	Authority
1	2012-13	5.50	Income Tax Demand	Commissioner of Income-Tax (Appeals)
Total		5.50		

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from institutions or from the governments and has not issued any debentures.
9. Based upon the audit procedures performed and the information given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and



- term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, were port that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
 11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
 12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
 13. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any transactions with the related parties. Hence the compliance with section 177 and 178 of the Companies Act, 2013 does not arise.
 14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
 15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
 16. In our Opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No: 15103

Firm Reg. No: 005699S

UDIN : 21015103AAAANU6570

Place : Chennai
Date : 09.09.2021

“Annexure – B” to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of Guindy Machine Tools Limited (“the Company”) as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls:

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 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal 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 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 their liability 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 authorizations 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 controls 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No: 15103

Firm Reg. No: 005699S

UDIN : 21015103AAAANU6570:

Place : Chennai
Date : 09.09.2021

**AUDITED BALANCE SHEET AS ON 31ST MARCH, 2021**

Particulars	Note No	2020-21 ₹	2019-20 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	3,63,18,060	3,63,18,060
(b) Reserves and Surplus	2	33,74,50,042	33,55,59,489
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Deferred tax - (Liability)	3	4,61,412	5,23,465
(4) Current Liabilities			
(a) Short-term borrowings	4	6,20,000	5,45,000
(b) Trade payables	5	1,72,40,647	92,33,319
(c) Other current liabilities	6	1,82,84,644	1,86,77,680
(d) Short-term provisions	7	4,49,56,391	3,17,96,433
Total		45,53,31,196	43,26,53,446
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	6,92,09,251	7,99,10,137
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		4,05,000	-
(iv) Intangible assets under development		-	-
(b) Non-current investments			
(c) Deferred tax assets (net)	9	1,58,40,457	1,47,25,516
(d) Long term loans and advances	10	19,99,232	19,41,297
(e) Other non-current assets			
(2) Current assets			
(a) Current investments	11	1,08,82,271	-
(b) Inventories	12	9,33,66,084	7,82,65,713
(c) Trade receivables	13	1,86,72,767	1,82,79,038
(d) Cash and cash equivalents	14	23,01,93,018	21,76,14,692
(e) Short-term loans and advances	15	1,47,63,116	2,19,17,053
(f) Other current assets			
Total		45,53,31,196	43,26,53,446

As per our Report Annexed

for **GUINDY MACHINE TOOLS LTD**for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No. 15103

Firm Reg No. 005699S

UDIN : 21015103AAAANU6570

Place : Chennai

Date : 09.09.2021

Sd/-

LEELA VENKAT RAMAN

Chairperson

Sd/-

B.VENUGOPAL

Managing Director



AUDITED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Note No	2020-21 ₹	2019-20 ₹
I. Revenue from operations	16	25,41,32,027	31,14,34,179
Less : Duties & Taxes		3,81,66,300	4,71,17,054
Net Revenue from Operations		21,59,65,727	26,43,17,125
II. Other Income	17	1,31,06,345	1,42,55,925
III. Total Revenue (I +II)		22,90,72,072	27,85,73,050
IV. Expenses:			
Cost of materials and Tools consumed	18	4,87,10,703	4,64,38,306
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(1,51,24,092)	17,97,532
Employee benefit expense	20	10,88,45,527	12,71,70,523
Financial costs	21	3,49,265	4,56,750
Depreciation and amortization expenses	22	1,19,39,490	1,35,04,082
Other expenses	23	5,97,31,458	6,74,42,618
Total Expenses		21,44,52,351	25,68,09,811
V. Profit before exceptional and extraordinary items and tax (III - IV)		1,46,19,721	2,17,63,239
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,46,19,721	2,17,63,239
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		1,46,19,721	2,17,63,239
X. Tax expense:			
(1) Current tax		60,00,000	78,00,000
(2) Prior-period Short Provision of Tax (Net)		6,42,550	1,32,823
(3) Deferred tax (Asset)		(11,76,994)	5,24,642
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		68,00,177	1,43,55,058
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		68,00,177	1,43,55,058
XVI. Earning per equity share:			
(1) Basic		1.87	3.95
(2) Diluted		-	-

As per our Report Annexed

for **GUINDY MACHINE TOOLS LTD**

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No. 15103

Firm Reg No. 005699S

UDIN : 21015103AAAANU6570

Place : Chennai

Date : 09.09.2021

Sd/-

LEELA VENKAT RAMAN

Chairperson

Sd/-

B.VENUGOPAL

Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	2020-21 ₹	2019-20 ₹
I. Cash Flows from Operating Activities		
Net Income before Taxation and Extraordinary Items	1,46,19,721	2,17,63,239
Adjustments for:		
Income Tax	(66,42,550)	(79,32,823)
Depreciation	1,19,39,490	1,35,04,082
Interest Income	(1,25,23,780)	(1,37,70,274)
Profit / (Loss) from Sale of Assets	(43,715)	(1,66,793)
Profit / (Loss) from Sale of Investments	-	-
Interest Expenses	1,76,217	13,352
Operating profit before working capital changes	75,25,383	1,34,10,783
(Increase) / Decrease in Trade Receivables	(3,93,729)	16,50,548
(Increase) / Decrease in Inventory	(1,51,00,371)	68,81,734
Increase / (Decrease) in Trade Payable	80,07,328	(1,57,31,101)
Changes in other Current Assets	71,53,937	82,94,093
Changes in other Current Liabilities	1,28,41,922	(3,66,90,142)
Changes in other Non-Current Assets	(57,935)	(1,94,977)
Cash Generated from Operations	1,99,76,535	(2,23,79,062)
Net Cash from Operating Activities	1,99,76,535	(2,23,79,062)
II. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(16,84,634)	(88,23,570)
Proceeds from Sale of Fixed Assets	84,745	1,69,492
Proceeds from Sale of Investments	-	-
Investments in Fixed Deposits	(65,86,630)	22,53,995
Investments in Mutual Funds	(1,08,82,271)	-
Interest received	1,25,23,780	1,37,70,274
Net Cash from / (Used in) Investing Activities	(65,45,010)	73,70,191
III. Cash Flows from Financing Activities		
Dividends & Interim Dividends paid	(72,63,612)	(65,56,758)
Interest paid	(1,76,217)	(13,352)
Net Cash from / (Used in) Financing Activities	(74,39,829)	(65,70,110)
Net increase in cash and cash equivalents	59,91,696	(2,15,78,981)
Cash and cash equivalents at beginning of the period	1,76,66,500	3,92,45,481
Cash and cash equivalents at end of the period	2,36,58,196	1,76,66,500

As per our Report Annexed

for **GUINDY MACHINE TOOLS LTD**

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No. 15103

Firm Reg No. 005699S

UDIN : 21015103AAAANU6570

Place : Chennai

Date : 09.09.2021

Sd/-

LEELA VENKAT RAMAN

Chairperson

Sd/-

B.VENUGOPAL

Managing Director



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2020-21 ₹	2019-20 ₹
1	Share Capital		
	Equity Share Capital		
	Authorised Share capital (40,00,000 Shares Rs.10 Each)	4,00,00,000	4,00,00,000
	Issued, subscribed & fully paid share capital		
	Opening	3,63,18,060	3,63,18,060
	Addition : Issue of Bonus Share	-	-
	Closing	<u>3,63,18,060</u>	<u>3,63,18,060</u>
	(of the above 32,00,418 shares were allotted as fully paid up by issue of bonus shares by way of capitalisation of reserves)		
	Calls unpaid	-	-
	Forfeited shares	-	-
	Total	<u>3,63,18,060</u>	<u>3,63,18,060</u>
	Number of shares held by each shareholder holding more than 5 percent of the Issued share capital:		
(i)	Name of the Share Holder	% of Issued Capital/ Number of Shares	% of Issued Capital/ Number of Shares
	(a) Mrs.Leela Venkat Raman	54.44% 19,77,300	54.44% 19,77,300
	(b) Mrs.Jayashree S.Mani	15.86% 5,76,000	15.86% 5,76,000
(ii)	Information regarding issue of shares in last five years		
	(a) The company has not issued any shares without payment being received in cash.		
	(b) The company has not undertaken any buy back of shares		
2	Reserves and Surplus		
	Capital Reserves	9,800	9,800
	General Reserves		
	Opening	17,86,17,220	17,86,17,220
	Deletion: Issue of Bonus Shares		
	Addition : Transfer from Profit & Loss A/c	-	-
	Closing Balance	<u>17,86,17,220</u>	<u>17,86,17,220</u>
	Other Reserve / fund		
	P & L A/c		
	Opening	15,69,32,469	15,01,83,453
	Addition		
	Current year's Profit	91,54,165	1,33,05,774
	Deduction		
	General Reserves	-	-
	Special Dividend for Diamond Jubilee year (GMT 60s)	-	54,47,709
	Dividend Distribution Tax on Special Dividend	-	11,09,049
	Appropriation for Dividend	72,63,612	-
	Closing Balance	<u>15,88,23,022</u>	<u>15,69,32,469</u>
	Total	<u>33,74,50,042</u>	<u>33,55,59,489</u>

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2020-21 ₹	2019-20 ₹
3	Deferred Tax - (Liability)		
	On Research and Development Expenditure	5,23,465	5,99,220
	Deletion - Reversal of Timing Difference	62,053	75,755
	Total	4,61,412	5,23,465
4	Short-term borrowings		
	Unsecured		
	Deposits (Dealership Deposits - Refundable)	6,20,000	5,45,000
	Total	6,20,000	5,45,000
5	Trade payables		
	Trade payables	1,72,40,647	92,33,319
	Total	1,72,40,647	92,33,319
6	Other Current liabilities		
	Unclaimed dividends	7,20,970	10,18,645
	Duties, Taxes & Statutory Dues	8,97,278	10,96,230
	Advance received from customer	65,47,484	82,23,799
	Salaries & Wages Payable	78,27,877	67,40,931
	Outstanding Liability	22,91,035	15,98,075
	Total	1,82,84,644	1,86,77,680
7	Short-term provisions		
	Provision for employee benefits	3,14,01,404	2,37,12,933
	Provision for Tax-Income Tax	60,00,000	78,00,000
	Audit Fee Payable	2,91,375	2,83,500
	Provision for Dividend	72,63,612	-
	Provision for Dividend Distribution Tax	-	-
	Total	4,49,56,391	3,17,96,433
8	Fixed Assets		
	Tangible Assets	6,92,09,251	7,99,10,137
	Intangible Assets	-	-
	Capital Work-in-progress	4,05,000	-
	Total	6,96,14,251	7,99,10,137
9	Deferred Tax - (Asset)		
	Deferred Tax Asset		
	On Depreciation	38,72,925	47,16,047
	Deletion	9,73,258	8,43,122
	On Disallowance U/s 43 B of IT Act	1,08,52,591	1,06,09,866
	Addition	23,64,517	24,87,542
	Deletion - Reversal of Timing Difference	22,22,834	22,44,817
	Total	1,58,40,457	1,47,25,516



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2020-21 ₹	2019-20 ₹
10	Long Term Loans and Advances		
	Unsecured considered good		
	Security Deposits	19,99,232	19,41,297
	Total	19,99,232	19,41,297
11	Current Investments		
	Investments in Mutual funds	1,08,82,271	-
	Total	1,08,82,271	-
	Note: NAV of the Investment as on 31-03-2021 is Rs. 1,10,27,128.21.		
12	Inventories		
	Raw materials	85,59,098	1,02,48,325
	Work in progress	4,33,16,389	2,91,54,742
	Finished goods	3,64,16,161	3,54,53,719
	Stores and spares	50,74,436	34,08,927
	Total	9,33,66,084	7,82,65,713
	Valuation of Raw Materials, Stores & spares, Work-In-Progress and Finished Goods is at Cost		
13	Trade receivables		
	Unsecured considered good		
	a) Outstanding for less than 6 Months	1,83,06,861	1,79,70,344
	b) Outstanding for more than 6 Months	3,65,906	3,08,694
	Sub Total	1,86,72,767	1,82,79,038
	Unsecured considered doubtful		
	a) Doubtful Debts	-	-
	Total	1,86,72,767	1,82,79,038
14	Cash and cash equivalents		
	a) Balances with banks - Current A/c.	2,28,31,803	1,64,92,270
	b) Balances with banks - Dividend & Unclaimed Dividend A/c	7,84,608	10,83,609
	c) Cash on hand	41,785	90,621
	Sub Total	2,36,58,196	1,76,66,500
	d) Fixed Deposit	15,42,12,088	14,79,86,014
	e) Fixed Deposit (Given as Collateral Security for SBI Cash Credit A/c.)	5,23,22,734	5,19,62,178
	Total	23,01,93,018	21,76,14,692

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2020-21 ₹	2019-20 ₹
15	Short term loans and advances		
	Unsecured considered good		
	Capital Advances	46,80,100	46,80,100
	Advance Taxes	20,29,297	95,92,589
	Other Advances	62,587	63,77,950
	Deffered Liability for Gratuity	75,94,988	-
	Advance Money Paid to Creditors	1,33,836	2,31,589
	Prepaid Expenses	2,62,308	7,25,338
	Sub Total - A	1,47,63,116	2,16,07,566
	Other loans and advances-ESI Dispute	-	3,09,487
	Sub Total - B	-	3,09,487
	Total	1,47,63,116	2,19,17,053
16	Revenue from Operations		
	Revenue from - Sale of products	25,07,55,989	31,41,73,994
	Sale of services	25,82,231	30,75,513
	Agency Commission	7,93,807	6,97,255
	Total	25,41,32,027	31,79,46,762
17	Other Income		
	Interest income	1,25,23,780	1,37,70,275
	Forex Fluctuation Gain (Un-realised)	-	34,563
	Other non-operating income	5,56,070	2,84,294
	Profit / (Loss) on Investments	(17,220)	-
	Profit / (Loss) on Sale of Fixed Asset	43,715	1,66,793
	Total	1,31,06,345	1,42,55,925
18	Consumption of Material and Tools		
	Consumption of Material		
	Opening Stock	1,02,48,325	1,30,90,027
	Add: Purchase	4,36,99,498	3,49,53,341
		5,39,47,823	4,80,43,368
	Closing Stock	85,59,098	1,02,48,325
	Sub Total - A	4,53,88,725	3,77,95,043



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2020-21 ₹	2019-20 ₹
	Consumption of Tools and Stores		
	Opening Stock	34,08,927	56,51,427
	Add: Purchase	49,87,487	64,00,763
		<u>83,96,414</u>	<u>1,20,52,190</u>
	Closing Stock	50,74,436	34,08,927
	Sub Total - B	<u>33,21,978</u>	<u>86,43,263</u>
	Cost of Materials & Tools Consumed	<u>4,87,10,703</u>	<u>4,64,38,306</u>
19	Changes in Inventory		
	Increase/Decrease in Stock		
	Opening Stock		
	Work in Progress	2,91,54,742	3,99,63,042
	Finished Goods	3,54,53,719	2,64,42,951
		<u>6,46,08,461</u>	<u>6,64,05,993</u>
	Closing Stock		
	Work in Progress	4,33,16,389	2,91,54,742
	Finished Goods	3,64,16,164	3,54,53,719
		<u>7,97,32,553</u>	<u>6,46,08,461</u>
	(Increase) / Decrease in Stock	<u>(1,51,24,092)</u>	<u>17,97,532</u>
20	Employee Benefits Expense		
	Salaries and wages	8,72,18,173	9,92,97,092
	Contribution to provident and other funds	61,90,987	71,08,016
	Gratuity and Leave Salary	40,14,776	36,22,702
	Director Remuneration	61,50,000	67,17,500
	Staff welfare expenses	52,71,591	1,04,25,213
	Total	<u>10,88,45,527</u>	<u>12,71,70,523</u>
21	Finance Costs		
	Interest Expenses	1,76,217	13,352
	Bank Charges and Commission	1,73,048	4,43,398
	Total	<u>3,49,265</u>	<u>4,56,750</u>
22	Depreciation	1,19,39,490	1,35,04,082

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2020-21 ₹	2019-20 ₹
23	Other Expenses		
	Sub-Contract Charges for WDO	1,06,29,187	1,06,01,541
	Power and fuel	67,07,317	92,15,476
	Repairs and Maintenance to Machinery	45,43,100	92,15,884
	Consulting Charges/Professional Charges	51,66,733	77,21,618
	Repairs and Maintenance to Building and Premises	30,70,551	53,01,847
	Travelling Expenses	19,25,860	51,12,169
	Packing & Forwarding Charges	25,42,883	33,13,336
	Conveyance	29,10,227	30,15,752
	Other Maintenance Expenses	24,38,902	27,96,824
	Vehicle Expenses	14,97,387	19,73,783
	Establishment & Administration Expenses	28,08,362	30,66,148
	Office Expenses	5,87,987	9,78,212
	Software Expenses	47,92,891	11,11,186
	Postage & Telephones	11,78,473	11,20,546
	Rates and Taxes, excluding taxes on income	71,10,498	15,47,219
	Printing & Stationery	6,90,428	8,26,966
	Insurance	6,96,691	1,35,019
	Audit Fee- Audit	3,15,000	3,15,000
	Bad Debts	68,006	-
	Forex Fluctuation Loss (Unrealised)	41,271	-
	Forex Fluctuation Loss (Realised)	6,944	62,424
	Sales Promotion Expenses	2,760	11,668
	Total	5,97,31,458	6,74,42,618

Fixed Asset Schedule for the FY 2020-21

	Gross Block				Depreciation				Written Down Value as on	
	Opening	Addition	Deletion	Closing	Opening	Addition	Deletion	Closing	31-03-2021	31-03-2020
TANGIBLE ASSETS										
LAND	1,16,35,987	-	-	1,16,35,987	-	-	-	-	1,16,35,987	1,16,35,987
BUILDINGS	3,94,77,808	-	-	3,94,77,808	2,24,59,133	15,36,556	-	2,39,95,689	1,54,82,119	1,70,18,675
BUILDINGS - FACTORY	1,10,05,095	-	-	1,10,05,095	92,97,533	1,16,461	-	94,13,994	15,91,101	17,07,562
BUILDING-RAW MATERIAL SHED	38,79,605	-	-	38,79,605	19,07,052	1,87,393	-	20,94,445	17,85,160	19,72,553
COMPUTERS AND SOFTWARE	3,19,99,444	-	-	3,19,99,444	3,01,99,326	11,18,329	-	3,13,17,655	6,81,789	18,00,118
MACHINERY & EQUIPMENTS	17,87,30,767	-	-	17,87,30,767	13,76,76,964	74,29,695	-	14,51,06,659	3,36,24,108	4,10,53,803
PRECISION INSTRUMENTS	7,42,182	-	-	7,42,182	7,39,108	556	-	7,39,664	2,518	3,074
PATTERNS AND DIES	17,51,376	-	-	17,51,376	13,32,316	75,850	-	14,08,166	3,43,210	4,19,060
JIGS AND FIXTURES	23,88,780	-	-	23,88,780	23,77,305	2,077	-	23,79,382	9,398	11,475
ELECTRICAL INSTALLATION	53,37,632	-	-	53,37,632	47,62,399	1,48,928	-	49,11,327	4,26,305	5,75,233
VEHICLES	91,18,716	12,79,634	200,000	1,01,98,350	72,69,195	8,67,633	158,969	79,77,859	22,20,491	18,49,521
OFFICE EQUIPMENT	56,45,631	-	-	56,45,631	54,90,343	69,987	-	55,60,330	85,301	1,55,288
FURNITURE AND FITTINGS	32,71,218	-	-	32,71,218	29,85,478	73,978	-	30,59,456	2,11,762	2,85,740
COMPUTER SERVER & NETWORKS	16,31,756	-	-	16,31,756	14,43,791	88,997	-	15,32,788	98,968	1,87,965
RESEARCH AND DEVELOPMENT										
BUILDINGS	52,655	-	-	52,655	48,943	353	-	49,296	3,359	3,712
MACHINERY	2,30,60,251	-	-	2,30,60,251	2,18,29,880	2,22,697	-	2,20,52,577	10,07,674	12,30,371
WORK IN PROCESS										
HIGH PRECISION SLOT GRINDING M/C.	-	4,05,000	-	4,05,000	-	-	-	-	4,05,000	-
Total	32,97,28,903	16,84,634	2,00,000	33,12,13,537	24,98,18,766	1,19,39,490	1,58,969	26,15,99,287	6,96,14,250	7,99,10,137
Previous Year FY 2019 - 20	32,18,60,496	88,23,570	9,55,163	32,97,28,903	23,72,67,146	1,35,04,082	9,52,462	24,98,18,766	7,99,10,137	8,45,93,350

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

GENERAL:-

- 1 Expenditure in respect of Foreign Travel is Nil (Previous Year Rs. 8,74,475.20).
- 2 C.I.F. Value of imported components for the products of the Company is Rs. 92,073/- (Previous Year Rs.41,385/-)
- 3 F.O.B. Value of exports made during the year is Rs.10,04,235/- (Previous year Rs.18,85,716/-)
- 4 Receipts in Foreign Exchange as Commission is Rs. 7,93,806/- (Previous Year Rs.6,97,255/-)
- 5 Staff Welfare includes reimbursement of Medical Expenses to all the Directors amounting to Rs.5,25,343/-
- 6 Contingent liability in respect of disputed IT Demand to the extent of Rs.5.50 Lakhs pending before Commissioner of Income Tax (Appeals).
- 7 Money due to the Companies covered under MSME Act, for more than thirty days is Rs.2,19,458/-
- 8 Money due to Tiny, Micro and SSI Units for Value of Rs.1.00 Lakh and above for More than thirty days is Rs. 2,07,251/-
- 9 Commitment towards Capital Expenditure is Rs.1.39 Crores for the financial year 2021-22, out of which Rs. 46,80,100/- is paid as advance during the FY 2019-20
- 10 Foreign Letter of Credit outstanding on account of Import of Capital Goods is Rs. NIL
- 11 As we are Small and Medium sized company, Segment Reporting is not mandatory to us
- 12 Previous year's figures have been regrouped wherever necessary.

Covid-19 Impact:

Covid-19 has caused significant disruptions to business. The possible effects were considered by the management that may impact the carrying amount of inventories, receivables and intangible assets. The assumptions on uncertainties, the management considered subsequent events. The Management expects no impairment on carrying amounts of these assets.



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

A) Product-wise Turnover in Value (₹)

Products	FY 2020-21	FY 2019-20
a) Chuck and Chuck Components	21,96,65,045	26,02,21,564
b) Other Machine,spares & Cutting Tools	56,98,975	1,30,72,135
c) Cast Iron & Granite Surface Plates	2,37,37,753	3,18,67,569
d) Scrap Sales	16,54,216	25,00,143
Total	25,07,55,989	30,76,61,411

B) Consumption of Raw Materials (₹)

Products	FY 2020-21	FY 2019-20
a) Castings & Forgings of Various Sizes	1,88,44,580	1,71,72,180
b) Granite Slabs (Nos)	55,49,146	55,79,990
c) Other Steels, etc	2,09,94,999	1,50,42,873
Total	4,53,88,725	3,77,95,043

C) Consumption of Raw-materials & Consumables (₹)

	FY 2020-21	FY 2019-20
Total Consumption	4,87,10,703	4,64,38,306
Imported Items	84,316	41,385
% of Imported Items	0.17%	0.09%
Indigenous Items	4,86,26,387	4,63,96,921
% of Indigenous Items	99.83%	99.91%



GUINDY MACHINE TOOLS LIMITED

CIN: U29130TN1959PLC003951

Regd. Off. & Works : 214 (Old No.196), Velachery – Tambaram Main Road,
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