



ANNUAL REPORT 2019-20



ACME CHEM LTD

Board's Report 2019-20

ACME CHEM LTD

Directors' Report

To,
The Members,

On behalf of the Board, your Directors' take immense pleasure to present the Twenty Eighth Board's Report, together with the Balance Sheet, Profit and Loss Account and Cash Flow Statements, for the Financial Year ended March 31, 2020.

I. FINANCIAL PERFORMANCE:

The Standalone Financial Statements for the Financial Year ended 31st March 2020, forming part of this Annual Report, have been prepared in accordance with the Accounting Standards as notified by the Institute of Chartered Accounts of India.

On Standalone basis our Net Revenue from operations stood at Rs.185.45 Crores for the Current Year as against Rs. 208.63 Crore in the Previous Year. Net Profit marginally increased to Rs. 29.47 Crores for the Current Year as against Rs. 29.20 Crore in the Previous Year. There was disruption in manufacturing activity for almost 8 days due to all India lock down announced by Central Government due to Covid -19 Pandemic during the year under review.

The table below provides the Key highlights of the financial performance of the Company for the year ended March 31, 2020 on Standalone Basis as compared to the previous year:

Particulars	Amount (In Crores)	Amount (In Crores)	Amount (In Crores)	Amount (In Crores)
	2019-2020	2019-2020	2018-2019	2018-2019
Net Revenue from Operations :	185.45		208.63	
Other Income	13.98	199.33	3.24	211.88
Profit Before Finance Cost & Depreciation and Tax (PBDIT)		55.04		48.36
Less: Finance costs		13.88		5.69
Profit Before Depreciation & Tax (PBDT)				42.67
Less: Depreciation		1.63		1.02
Profit Before Tax(PBT)		39.54		41.65
Less: <u>Provision for Income Tax</u>				
Current Tax		11.37	19.50	12.59
Deferred Tax (Net)		(1.30)	(0.25)	(0.15)

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Income tax for earlier years				-
Profit After Tax		29.47		29.21
Add: Balance Brought Forward from Previous year		69.95		50.74
Less : Transfer to General Reserve		10.00		10.00
Closing Balance of Profit & Loss Account		89.42		69.95

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARY COMPANIES /ASSOCIATE CONCERNS:

Your company has 6 subsidiaries and is a Partner in 18 Limited Liability Partnerships (LLP) through which it controls its investment activities in real estate and capital market. In accordance with the provisions of the Section 129(3) of the Companies Act, 2013 a statement highlighting the performance of each of the subsidiary companies in Form AOC-1 is annexed to this report as Annexure - A.

Merchem Limited, the Wholly Owned Subsidiary of your company, which has been acquired through an Insolvency Resolution Process under the provisions of IBC Code 2016 on 19th March, 2019 is yet to commence its Commercial Production. The various capital expenditure programmes of the company as envisaged in the Resolution Plan for Merchem Limited is under implementation and is in the final stage of completion. The management expect the company to commence its commercial production by the end of 1st half of the current financial year.

MERGER/DEMERGER OF GROUP COMPANIES:

Your company would like to apprise you that M/s. Lesha Commercial Pvt Ltd, a group company as well as shareholder of your company and M/s. Adrish Properties Private Limited a subsidiary company and a major shareholder of your company are proposed to be merged into your company.

Similarly, the Chemical Division of your company, is proposed to be demerged into Merchem Limited, the Wholly Owned Subsidiary(WOS) of your company. The Board of Directors of the above companies would be deliberating the matter further and take an appropriate decision in this regard. This will result in consolidation of rubber chemical business of the Group into one entity, reduction in cost, operational efficiency etc and retaining of non-core activity of the Acme Chem into itself.



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DIVIDEND:

The Board of Directors have not recommended any dividend for the Financial Year 2019-20, in order to preserve funds for capital infusion in Merchem Limited, the WOS of the Company, for completion of its on going projects and for its future expansion and growth.

TRANSFER TO RESERVES:

Your company has transferred an amount of Rs. 10 Crores to the General Reserve for the financial year ended 31st March, 2020.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as the Company has not declared any dividend since long.

PARTICULARS OF LOANS, ADVANCES, GUARANTEES AND INVESTMENTS:

During the year, your company has made Investment in Merchem Limited, the Wholly Owned Subsidiary of the Company, by subscribing to the Rights Issue of its Preference & Equity Shares. Complete Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

DISCLOSURE OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The details of contracts and arrangements with related parties pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule (8) of the Companies (Accounts) Rules, 2014 is attached to this report in Form AOC-2. as Annexure "B".

DEPOSITS:

Your company has not accepted or renewed any deposits from public within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

II. BUSINESS:

BOARD COMPOSITION:

Your Company consists of Qualified Professionals and great visionaries who possess long term experience of working in the Rubber Chemical Industry and provide strategic direction and guidance to the organization. The Board consists of a Managing Director, 2 other Whole-time Directors and 2 Non-Executive Non-Independent Directors.

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DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on 31st March, 2020, the Board is made up of 5 directors.

During the year Mr. Ravindra Kumar Tiwari resigned from office of Director with effect from 05th November, 2019 due to certain personal reasons. Subsequently, pursuant to the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on the 23rd day of November, 2019 approved the appointment of Mr. Anil Kumar Nagpal, as an Additional Director with immediate effect. However, Mr. Anil Kumar Nagpal resigned from the Office of Directorship citing health related issues and ceased to be a Director with effect from 23.04.2020. Mr. Bhadrash Pranal Kansara, who was serving the Group as a Technical Consultant in the subsidiary company, Merchem Limited has been appointed as additional Director of the Company. Mr. Kansara shall hold office up-to the next Annual General Meeting or the last date on which Annual General Meeting should have been held, whichever is earlier. The Board recommends the re-appointment of Mr. B.P. Kansara, as Non-Executive Non-Independent Director of the company.

During the year under review, Mr. Sanjay Chatterjee (DIN : 07911097), Mr. Karan Suri (DIN : 07911094) and Mr. Sunil Bhandari (DIN : 02761307), Independent Directors of the company resigned from office citing personal reasons with effect from 17.12.2019. Mr. Shrikant V. Hajarnis, who was serving on the Board of the Company as Non-Executive Non-Independent Director have also resigned from the Board with effect from 17.02.2020

The Board places on record its appreciation for valuable contribution made by Mr. Shrikant V. Hajarnis, Mr. Sunil Bhandari, Mr. Karan Suri, Mr. Sanjay Chatterjee and Mr. Anil Kumar Nagpal during their tenure as Directors of the company.

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sajjan Kumar Sharma (DIN : 08250465) will retire by rotation at the 28th Annual General Meeting and being eligible had offered himself for re-appointment.

The vacancy arising out of the resignation of above Independent Directors could not be filled till now due to the current "Pandemic Situation" prevailing in the country. The Management is actively searching for suitable and eligible candidate for the position of Independent Directors.

NUMBER OF MEETINGS OF THE BOARD:

The Board met 9 times during the Financial Year 2019-20 in accordance with the provisions of Section 173 of the Companies Act, 2013. The maximum gap between any two meetings did not exceed 120 days.

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DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that :

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure have been made from the same;
- (b) such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of the affairs of the company as on 31 March, 2020 and the profit/loss for the year ended on that date.
- (c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies act, 2013 for the safeguarding the assets of the company and for preventing and directing fraud and other irregularities;
- (d) the Annual Accounts are prepared on a going concern basis.
- (e) the internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and
- (f) the systems to ensure compliance with the provisions of all applicable laws and were devised and such systems were adequate and operating effectively.

COMPANIES POLICY RELATING TO DIRECTORS' APPOINTMENT, REMUNERATION & DISCHARGE OF THEIR DUTIES:

The Company is in the process of reconstituting the above committee.

The Company Secretary is the Secretary of the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE:

The Company is in the process of reconstituting the above committee.

The Company Secretary is the Secretary of the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013.

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III.AUDIT:

STATUTORY AUDITORS:

Pursuant to the recommendation of the Audit Committee, the Board of Directors have approved the appointment of M/s. Lodha & Co., Chartered Accountants (FRN – 301051E) as the Statutory Auditor of the company for a period of 5(Five) Years from the conclusion of 27th Annual General Meeting to 32nd Annual General Meeting. The said appointment was ratified by the members of the company.

In this regard, M/s. Lodha & Co., Chartered Accountants have submitted their written consent stating that they are eligible and qualified to be re-appointed as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks made by M/s. Lodha & Co, the Statutory Auditors in their Report for the Financial Year ended 31st March, 2020.

COST AUDIT:

The Board of Directors at their meeting held on 24th August, 2020 appointed M/s. Manoj Kumar Chhalani (Firm Registration No. FRN 000842) as the Cost Auditor of the Company for undertaking Cost Audit of the Cost Accounting Records maintained by the company for the financial year 2020-2021 at a remuneration not exceeding Rs. 25,000/- (Rupees Twenty Five Thousand Only) plus applicable taxes and out of pocket expenses at actuals. The said Auditors have confirmed their eligibility for appointment as Cost Auditors. The remuneration payable to the said Cost Auditors is required to be placed before the members at the ensuing AGM for ratification and a suitable Resolution has been set out in the Notice of the 28th Annual General Meeting.

IV.SOCIAL RESPONSIBILITY AND SUSTAINABILITY:

CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 your company as part of its CSR initiatives has undertaken programs in accordance with the CSR Policy. Your company has spent Rs.54,50,000/- towards Corporate Social Responsibility during the year under review. The details of CSR Expenditure is annexed herewith as Annexure C.

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

An Internal Complaints Committee (ICC) has been set-up to redress complaints received regarding sexual harassment. The Policy has set guidelines on the re-dressal and enquiry process that is to be followed by the complaints and the ICC whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, contractual, temporary, trainees etc.) are covered under this Policy. The Company has not received any complaint of sexual harassment during FY 2019-2020.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

A. Conservation of energy :

- i) The steps taken or impact on conservation of energy:
The company has been continuously giving at most emphasis and high priority to energy conservation. Optimum use of energy is ensured by close monitoring of energy consuming equipment, optimizing use of power and steam and close liaison between energy centers and consuming points. Technical cells have been created at all units to concentrate inter-alia on conservation of energy.
- ii) The steps taken by the company for utilizing alternate sources of energy:
Steps are envisaged in keeping with the company's policy of continuously striving for better and better results.
- iii) The capital investments on energy conservation equipment:
Company is presently making investments in energy conservation equipment.

B. Technology Absorption:

- i) The efforts made towards technology absorption:
The company has not adopted any new technologies during the year under review for its products.
- ii) The company has not imported any technologies from abroad.
- iii) The company will continue to focus on strengthening the existing product range and to sustain competitive edge and marketing position by improving the products' effectiveness and reducing cost.

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OTHER DISCLOSURES:

EXTRACT OF ANNUAL RETURN:

Form MGT -9 providing an extract of the Annual Return in terms of Section 92 of the Act and rules made thereunder forms part of this Report as Annexure D and the same is available on the website of the Company at https://acmechem.in/investor-information/annual_report2019-20.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

There have been no material changes affecting the Financial Position of the Company which occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign currency used and earned	:	
		<u>(Rs. In Crores)</u>
Foreign Currency earned		16.85
Foreign Currency used		76.45

ADDITIONAL DISCLOSURES:

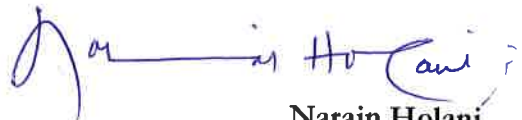
Your Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions or change during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of shares with differential rights as to dividend voting or otherwise.
- Issue of shares to the employees of the Company under any scheme (sweat equity or Stock options)
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- There was no revision in the financial statement other than as required to be done as per IAS
- There was no change in the nature of business.
- No significant or material orders were passed by the Regulators or Courts or Tribunal which impact the going concern status and Company's operation in future.

ACKNOWLEDGEMENT AND APPRECIATION:

Your Directors take this opportunity to thank its customers, shareholders, suppliers, bankers, business partners, associates, financial institutions, advocates, Central and State Governments for their consistent support and encouragement to your company. Also the directors hereby convey their sincere appreciation to all the employees of the company for their hard work and commitment. Their dedication and commitment has ensured that your company continues to be a significant and leading player in the Rubber Chemical Industry.

For and on behalf of the Board



Narain Holani
Managing Director
DIN: 00397044



Varsha Holani
Whole-time Director
DIN: 00397144

Place : Kolkata

Dated : 26th August, 2020

INDEPENDENT AUDITORS' REPORT**To the Members of Acme Chem Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Acme Chem Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, 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 notes for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 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. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone 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 Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Standalone financial statements and Consolidated financial statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this Auditors' 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 standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above and conclude that there is a material misstatement therein we are required to communicate to those charged with governance and describe necessary action required as per applicable laws and regulation.



Responsibilities of the 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 state of affairs (financial position), Profit or Loss (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 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 Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 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; and



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) Regarding adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 31 to the Standalone financial statements;
 - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us, the remuneration(including sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

Place: Kolkata
Date: August 24, 2020



For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh
R. P. Singh
Partner
Membership No: 52438
UDIN: 052438AAAACR7376

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

- i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - b. The Company has a program of verification which has been revised during the year considering the prevailing situation to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, certain fixed assets have been physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verifications.
 - c. According to the information and explanations given to us, the records examined by us and based on the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold/leasehold, are held in the name of the Company as on the balance sheet date except as detailed below: (Refer Note no. 13.1 and 13.2 to the Standalone financial statements).

Investment Properties	Area	Amount (In Rs.)
Investment in Land	900 Sq. Yard	1,00,00,000
Investment in Building	8,910 Sq. Ft	3,75,71,829

- ii) As informed, the company has a system of carrying out the physical verification of the inventories except for materials in transit and as stated such verification were carried out over the period at reasonable intervals and discrepancies ascertained were not material and have been adjusted in the books of accounts. The year-end verification could not be carried out due to lock-down amidst COVID-19 pandemic. The Inventories as on that date have been arrived at by rolling back the receipts and issues with respect to verification carried out on a subsequent date in presence and supervision of an Independent firm of chartered accountant, entrusted with such responsibility. Due to COVID' 19 we could not attend the verification so carried out and have placed reliance on the details, documents and reports received in this respect. The discrepancies noted during the year were not material and have been properly dealt with in the books of the account.
- iii) 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, clause 3 (iii) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted any deposits during the year and does not have any unclaimed deposit as at March 31, 2020 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore, the provisions of clause 3(v) of the Order is not applicable to the company
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.



- vii) a. According to the information and explanations given to us, during the year, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable to it.
- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at March 31, 2020, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
MP VAT Act	Value Added Tax	6,81,805	2016-2017	Appellate Deputy Commissioner of Commercial Tax, Ratlam (Madhya Pradesh)
MP VAT Act	Entry Tax	1,16,990	2016-2017	Appellate Deputy Commissioner of Commercial Tax, Ratlam (Madhya Pradesh)
Finance Act, 1994	Service Tax	10,19,03,317	October 2005 to August 2014	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	1,19,37,548	November 2014 to April 2015	Commissioner of Central Excise, Bharuch
		1,06,50,644	July 2015 to March 2016	
Income Tax Act, 1961	Income Tax	81,53,270	2012-2013	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,08,88,858	2011-2012	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	3,96,86,570	2017-2018	Commissioner of Income Tax (Appeals)

- viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.



- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Lodha & Co,
Chartered Accountants ,
Firm's ICAI Registration No.:301051E

Place: Kolkata
Date: August 24, 2020



R.P. Singh
R. P. Singh
Partner
Membership No: 52438
UDIN: 052438AAAACR7376

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of Acme Chem Limited ("the Company") as at March 31, 2020 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. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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



that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: August 24, 2020



For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh

R. P. Singh
Partner
Membership No: 52438
UDIN: 052438AAAACR7376

ACME CHEM LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs.)

PARTICULARS	Note No.	As at	
		31st March 2020	31st March 2019
EQUITIES & LIABILITIES			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	3	5,86,00,000	5,86,00,000
Reserve and Surplus	4	2,51,52,27,476	2,22,05,06,961
		2,57,38,27,476	2,27,91,06,961
<u>NON-CURRENT LIABILITIES</u>			
Long Term Borrowings	5	93,48,76,372	1,16,52,03,576
Long Term Provisions	6	23,43,498	10,16,020
Other Non-Current Liabilities	7	1,92,73,832	1,66,14,431
		95,64,93,702	1,18,28,34,027
<u>CURRENT LIABILITIES</u>			
Short Term Borrowings	8	38,79,78,573	37,74,25,907
Trade Payables	9		
Total Outstanding dues of Micro and Small Enterprises		33,41,022	14,03,201
Total Outstanding dues other than Micro and Small Enterprises		6,91,67,731	9,01,92,786
Other Current Liabilities	10	27,45,14,946	3,35,10,742
Short Term Provisions	11	3,94,175	21,55,540
		73,53,96,447	50,46,88,176
		4,26,57,17,625	3,96,66,29,164
ASSETS			
<u>NON-CURRENT ASSETS</u>			
<u>Properties Plant & Equipments</u>			
Tangible Assets	12	9,29,08,706	7,65,30,899
Intangible Assets		1,01,329	2,29,307
Capital Work-In-Progress		1,18,58,762	82,91,939
		10,48,68,797	8,50,52,145
Non-Current Investments	13	1,72,56,53,915	1,28,10,33,485
Deferred Tax Assets (Net)	14	2,48,51,987	1,18,42,075
Long Term Loans and Advances	15	1,18,12,15,992	1,18,19,61,883
Other Non-Current Assets	16	8,73,76,324	36,57,036
		3,12,39,67,015	2,56,35,46,624
<u>CURRENT ASSETS</u>			
Current Investments	17	33,06,06,897	55,25,30,146
Inventories	18	14,19,41,194	22,49,82,587
Trade Receivables	19	47,41,19,707	46,49,85,921
Cash and Bank Balances	20	6,08,26,008	3,57,23,815
Short Term Loans and Advances	21	2,03,05,661	91,14,537
Other current assets	22	11,39,51,143	11,57,45,534
		1,14,17,50,610	1,40,30,82,540
		4,26,57,17,625	3,96,66,29,164

Significant Accounting Policies and Notes to Accounts

1 to 39

As per our Report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
(R. P. Singh)
Partner



B. Unnikrishnan Nair
(CFO and Company Secretary)

Place : Kolkata
Dated : 24th August 2020

For and on behalf of the Board of Directors of
Acme Chem Limited
(CIN: U24118WB1992PLC055994)

Narain Holani
(Managing Director)

DIN: 00397044

Varsha Holani

Varsha Holani
(Wholetime Director)
DIN: 00397144

ACME CHEM LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

PARTICULARS		For the Year ended	
		31st March 2020	31st March 2019
INCOME			
Revenue from Operations	23	1,85,45,11,842	2,08,63,50,222
Other Income	24	13,98,17,778	3,24,99,289
		1,99,43,29,620	2,11,88,49,511
EXPENDITURE			
Cost of Materials Consumed	25	1,06,54,33,718	1,35,89,53,486
Purchase of Traded Goods	26	1,17,94,783	52,44,000
Decrease/(Increase) in inventories of finished goods, work-in-progress	27	(2,37,24,545)	(1,42,04,479)
Employee Benefits Expense	28	7,86,78,085	6,84,97,543
Finance Cost	29	13,88,18,612	5,68,97,942
Depreciation and Amortization	12	1,62,60,371	1,02,35,080
Other Expenses	30	31,16,28,691	21,67,31,644
		1,59,88,89,715	1,70,23,55,216
PROFIT BEFORE TAXATION		39,54,39,905	41,64,94,295
Less : <u>Provision for Taxation</u>			
Current Tax		11,37,29,302	12,59,16,054
Deferred Tax (Net)	14	(1,30,09,912)	(14,79,679)
PROFIT FOR THE YEAR		29,47,20,515	29,20,57,920
Earning Per Share (Basic and Diluted)	32	50.29	49.84
Significant Accounting Policies and Notes to Accounts	1 to 39		

As per our Report of even date

For Lodha & Co,
Chartered Accountants

R. P. Singh
(R. P. Singh)
Partner



Place : Kolkata
Dated : 24th August 2020



B. Unnikrishan Nair

B. Unnikrishan Nair
(CFO and Company Secretary)

For and on behalf of the Board of Directors of
Acme Chem Limited

(CIN: U24118WB1992PLC055994)

Narain Holani
Narain Holani
(Managing Director)

DIN: 00397044

Varsha Holani

Varsha Holani
(Wholetime Director)

DIN: 00397144


ACME CHEM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

PARTICULARS	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A. Cash Flow from Operating Activities:		
Net Profit Before Taxation	39,54,39,905	41,64,94,295
Adjustment to reconcile profit for the year to net cash flow from operating activities :-		
Depreciation and Amortisation	1,62,60,371	1,02,35,080
Finance Costs	13,88,18,612	5,68,97,942
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	1,47,66,024	(54,49,576)
Sundry balances written off and Bad Debts	1,16,72,103	10,29,373
Provision for diminution of Investments	5,12,83,628	-
Loss /(Profit) on sale of Investment (Net)	(97,14,528)	10,07,635
Loss /(Profit) From LLP	-	(5,48,766)
Dividend on Current Investments	(47,53,176)	(45,52,310)
Security Transaction Tax and PMS fees on Investing Activities	81,95,594	1,15,79,440
(Profit)/Loss on Sales/discard of fixed assets	(2,38,781)	7,62,123
Interest Income	(9,36,55,154)	(49,25,411)
Liability no longer required written back (Net)	(9,93,312)	(34,78,782)
Operating Profit Before Working Capital Changes	52,70,81,286	47,90,51,043
Change in Working Capital		
Decrease/ (Increase) in Trade Receivables	(2,46,44,858)	(1,13,51,098)
Decrease/ (Increase) in Inventories	8,30,41,394	(7,23,76,972)
Decrease/ (Increase) in loans and advances, Other Current and Non-Current assets	(87,956)	(67,63,024)
Increase/(Decrease) in Trade Payables, Other liabilities and Provisions	(1,39,78,174)	8,63,07,821
Cash Generation from Operating Activities	57,14,11,692	47,48,67,770
Income Tax Paid (Including TDS)	(11,61,43,780)	(17,87,84,763)
Net Cash Generation from Operating Activities	45,52,67,912	29,60,83,007
B. Cashflow From Investing Activities:		
Purchase of Property, Plant and Equipments including intangible assets and movement in Capital Work in Progress	(3,28,89,941)	(3,31,59,518)
Sale of Fixed Assets/ Capital Work in Progress	6,50,000	-
(Increase)/ Decrease in Investment in Fixed Deposits	25,45,566	(30,64,628)
(Increase)/ Decrease in Inter Corporate Loan to Related Parties and others	(8,44,233)	(1,14,49,25,157)
Purchase & Sales of Investments (Net)	(27,54,42,019)	(28,50,45,279)
Dividend on Current Investments	47,53,176	45,52,310
Security Transaction Tax and PMS fees on Investing Activities	(81,95,594)	(1,15,79,440)
Interest received	94,26,958	12,68,375
Net Cash Deployed in Investing Activities	(29,99,96,087)	(1,47,19,53,337)
C- Cashflow From Financing Activities:		
Interest and other borrowing cost paid	(13,24,46,236)	(4,91,41,758)
Proceeds/(Repayment) of Long Term Borrowings(Net)	-	1,15,19,56,639
Proceeds/(Repayment) of Short Term Borrowings(Net)	48,22,170	5,60,28,943
Net Cash Generation from Financing Activities	(12,76,24,066)	1,15,88,43,824
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	2,76,47,759	(1,70,26,506)
Cash and Cash Equivalent at the beginning of the year	3,03,53,932	4,73,80,438
Cash and Cash Equivalent at the end of the year (Refer Note no. 20)	5,80,01,691	3,03,53,932

As per our Report of even date
For Lodha & Co,
Chartered Accountants


(R. P. Singh)
Partner




B. Unnikrishan Nair
(CFO and Company Secretary)

For and on behalf of the Board of Directors of
Acme Chem Limited
(CIN: U24118WB1992PLC055994)


Narain Holani
(Managing Director)
DIN: 00397044

Varsha Holani
(Wholetime Director)
DIN: 00397144

Place : Kolkata
Dated : 24th August 2020

ACME CHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1. BACKGROUND OF THE COMPANY:

Acme Chem Limited ("Company") was incorporated on 21st July 1992 and is domiciled in India. The Company is presently engaged in the business of manufacturing and sale of specialty chemicals for tyre/rubber Industries. The company has its manufacturing facility located in Ankleshwar, Gujarat.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation

- a) The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements in compliance, in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.
- b) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's knowledge of current events and actions, uncertainty about these assumptions and estimates may result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

C. 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.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Goods and Service Tax (GST) and such other taxes on behalf of third party and these not being economic benefits flowing to the Company are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Claims / Refunds

Insurance and other claims / refunds, in case of uncertainty in realisation, are accounted for on acceptance basis.

Export incentives

Export Incentives are accounted on accrual basis and include the estimated value of incentives receivable under the Duty Drawback Scheme, Focus and MEIS Product Scheme.

D. Tangible Assets (Property, Plant and Equipments) (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes (net of cenvat availed), inward freight and other expenses related to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects or fixed assets during construction period and related expenses are capitalized.



Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

Capital Work-in-progress includes purchase price, construction and erection materials, interest and any other directly attributable costs of bringing the assets to their working condition. Such costs are added to related PPE and are classified to the appropriate categories when completed and ready for intended use.

E. Intangible Assets

Intangible asset are stated at their cost of acquisition, less accumulated amortization and impairment losses. An asset is recognized, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount on intangible assets on intangible assets is allocated on a straight-line basis over the estimated useful life.

F. Depreciation and Amortisation

Depreciation on property, plant and equipment is calculated on a written down basis using the rates arrived at, based on the useful lives as specified in Schedule II of the Companies Act, 2013. In case of a component having useful life different from the principal assets, they are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The company has provided depreciation on PPE considering the following:

Class of asset	Useful Life
Buildings	60 Yrs.
Plant and Equipments	15 Yrs.
Electrical installations	10 Yrs.
Furniture & fixtures	10 Yrs.
Computers including servers and networks	3 Yrs.
Office Equipments	5 Yrs.
Vehicles	8 Yrs.

Leaschold land is amortised on Straight Line basis over the effective period of lease

Intangible assets are amortized on a straight-line basis over the estimated useful economic life of the asset. Intangible assets being Specialized Software are amortised on a straight-line basis over a period of 5 years.

Depreciation and amortization on Property, Plant and Equipment added / disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

Methods of providing depreciation and amortization with respect to Property, Plant and Equipment and Intangible Assets, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

G. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value for each category of the Investment. Long-term investments are carried at cost. However, provision for diminution in value thereof is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



H. Inventories

Inventories are valued at lower of cost and net realizable value. Materials and other items held for use in the production of finished goods are not written down below cost if the finished products are expected to be sold at or above cost.

- i) Work in process and finished goods is valued at cost or net realizable value whichever is less. Cost which has been determined on FIFO basis comprises direct materials, direct labour costs, manufacturing and other overheads that have been incurred in bringing the inventories to their present location and condition.
- ii) Stores and Spares, fuel and Packing Materials are valued at cost on FIFO basis.
- iii) Cost of traded goods include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs estimated to be incurred in relation to the sales.

Provisions are made for non/slow moving and obsolete items based on historical experience of the utilization of the material or amount realizable thereagainst.

I. Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates. Non-monetary items other than PPE, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as revenue or expense and are shown in the statement of profit and loss.

J. Government Grants

- i) Subsidy received under the State Capital Subsidy Scheme is credited to Capital Reserve and treated as part of Shareholders Fund.
- ii) Grant / Subsidy relating to Property, Plant and Equipment are credited to Capital reserve as and when the ultimate realisability of the same is established and are transferred to Statement of Profit and Loss account in proportion to the amount of depreciation.
- iii) Government Grants of revenue nature are accounted for as Other Income on a systematic basis upon having assurance that the company shall comply with the conditions attached to them, and the grants will be received.

K. Provision for Current and Deferred Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities based on the tax rates and tax laws enacted during the period. Current income tax relating to items included under equity is recognized directly in equity.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income and are measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence for realisation thereof against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

L. Post employments and other employee benefits

Employee benefits are accrued in the year services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc., is being made in accordance with statute and are recognised as and when incurred.



Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in Statement of profit and loss.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

M. Impairment

Tangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

N. Leases

Leases are classified as finance lease when the lessee effectively retains substantially all the risks and benefits of ownership of the leased item. All other leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

O. Borrowing Costs

Borrowing costs includes interest and other costs of financing including those incurred for arranging the borrowings.

Borrowing costs directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

P. 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.

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.

Q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

R. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

S. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments that are readily convertible into cash and which are subject to insignificant risk of changes in value with an original maturity of three months or less.



3. SHARE CAPITAL

Particulars	As at	As at
	31st March 2020	31st March 2019
Authorized		
60,00,000 (31st March 2019: 60,00,000) Equity Shares of Rs. 10/- Each	6,00,00,000	6,00,00,000
Issued, Subscribed and Paid Up		
58,60,000 (31st March 2019: 58,60,000) Equity Shares of Rs. 10/- each fully paid up in cash	5,86,00,000	5,86,00,000
	5,86,00,000	5,86,00,000

3.1 There is no movement in the Equity Share Capital during the current and previous year

3.2 Terms and rights attached to Equity Shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of Shareholder holding more than 5% shares in the Company

Name of Shareholder	Equity Shares			
	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Narain Holani	8,97,000	15.31%	8,97,000	15.31%
Varsha Holani	10,68,300	18.23%	10,68,300	18.23%
Narain Holani (on behalf of Narain Holani HUF)	18,14,500	30.96%	18,14,500	30.96%
Adirish Properties Private Limited	19,75,800	33.72%	19,75,800	33.72%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

4. RESERVE AND SURPLUS

Particulars	As at	As at
	31st March 2020	31st March 2019
A) Capital Reserve		
As per last balance sheet	20,00,000	20,00,000
B) Securities Premium Account		
As per last balance sheet	20,49,70,200	20,49,70,200
C) General Reserve		
As per last balance sheet	1,31,40,00,000	1,21,40,00,000
Add: Transfer from Surplus	10,00,00,000	10,00,00,000
	1,41,40,00,000	1,31,40,00,000
D) Surplus		
As per last balance sheet	69,95,36,761	50,74,78,841
Profit for the year	29,47,20,515	29,20,57,920
Net surplus	99,42,57,276	79,95,36,761
Less: Transfer to General Reserve	10,00,00,000	10,00,00,000
	89,42,57,276	69,95,36,761
Total Reserves & surplus	2,51,52,27,476	2,22,05,06,961

5. LONG TERM BORROWINGS

Particulars	Refer Note no.	Non-Current		Current	
		As at	As at	As at	As at
		31st March 2020	31st March 2019	31st March 2020	31st March 2019
Secured					
Term Loan From Banks					
HDFC Bank Limited	5.2 and 5.5	92,20,16,000	1,15,25,20,000	23,05,04,000	-
Finance Lease Obligation (Secured)					
Vehicle Loan from HDFC Bank Ltd	5.3 and 5.5	-	-	-	1,95,568
Vehicle Loan from Yes Bank Ltd	5.3 and 5.5	5,76,122	-	4,45,349	-
Vehicle Loan from ICICI Bank Ltd	5.3 and 5.5	-	3,99,326	3,99,296	3,67,823
		92,25,92,122	1,15,29,19,326	23,13,48,645	5,63,391
Unsecured					
From Financial Institution					
Life Insurance Corporation of India	5.4	1,22,84,250	1,22,84,250	-	-
		93,48,76,372	1,16,52,03,576	23,13,48,645	5,63,391

5.1 Current maturities of the above long term borrowings disclosed under "Other Current Liabilities" (Note No. - 10)

5.2 Term Loan from Bank amounting to Rs. 1,15,25,20,000 (31st March 2019: Rs.1,15,25,20,000) including current maturity of Rs. 23,05,04,000 (31st March 2019: Nil) is secured by:

a) First Pari-Passu charge (along with working capital facilities as per Note no. 8.1 below) on the Moveable Property of the Company including Plant and Equipment, Machinery spares, tools and accessories, furniture and fixtures and all other movable assets both present and Future.

b) First Pari-Passu charge (along with working capital facilities as per Note no. 8.1 below) on Immovable property of the company both present and future situated at Plot No. 412, 413, Survey no. 184 and 195 GIDC Industrial Estate Panoli, Taluka, Ankleshwar, District Bharuch with existing bankers.

c) Further to be secured against Immovable Properties both present and future and Second charge by way of hypothecation of current assets including inventory, book debts etc. of one of the subsidiary i.e. Merchem Limited.

d) Personal guarantee of two directors of the Company.

e) Additional collateral of 0.50x (i.e. 50%) of loan amount through lien over the mutual funds of the company, one of it's LLP i.e. Hiramoti Properties LLP and subsidiary i.e. Hiramoti Nirman Private Limited. Further, by way of deposit of title deed of immovable property of one of it's subsidiary i.e. Emerald Heights Private Limited.

f) Each of the Promoter and the Borrower shall also provide and maintain at all times a Non Disposal Undertaking in favour of the Lenders so that to maintain at least 51% of the Shareholding of the Company and it's subsidiary Merchem Limited.

5.3 Vehicle loan from Banks amounting to Rs.14,20,767 (31st March 2019: Rs. 9,62,717) is secured against hypothecation of Vehicle (Book Value of Rs. 27,77,370) purchased out of the said loan

5.4 Unsecured Loan from financial institution amounting to Rs. 1,22,84,250 (31st March 2019: Rs. 1,22,84,250) is secured by pledge of deposit of LIC policy in the name of the Director which has been assigned in the name of the Company.



5.5 Repayment Schedule and Interest rate as on 31st March 2020 in respect of above loan are as follows:

Name of Bank/ Financial Institution	Term Loan from Bank	Vehicle loan from Yes Bank Ltd	Vehicle loan from ICICI Bank Ltd	Life Insurance Corporation of India	Insurance
	MCLR+0.50% (i.e. 8.65%)	9.56%	8.50%		9.20%
Interest Rate	23,05,04,000	4,45,349	3,99,326		
2020-2021	23,05,04,000	4,89,848			
2021-2022	23,05,04,000	86,274			
2022-2023	23,05,04,000				
2023-2024	23,05,04,000				
2024-2025	23,05,04,000				
2025-2026					1,22,84,250
2026-2027					

6. LONG TERM PROVISIONS

Particulars	Refer Note no.	31st March 2020	31st March 2019
Provision for Employee Benefits For Leave encashment	34	23,43,498	10,16,020
		<u>23,43,498</u>	<u>10,16,020</u>

7. OTHER NON-CURRENT LIABILITIES

Particulars	Refer Note no.	31st March 2020	31st March 2019
Interest accrued but not due on Borrowings	5,4	1,92,73,832	1,66,14,431
		<u>1,92,73,832</u>	<u>1,66,14,431</u>

8. SHORT TERM BORROWINGS

Particulars	Refer Note no.	31st March 2020	31st March 2019
Secured			
Working Capital facilities from Banks			
Cit Bank - Foreign Currency Loan	8,1	38,79,78,573	28,94,66,368
Yes Bank - Foreign Currency Loan	8,2		8,79,59,539
		<u>38,79,78,573</u>	<u>37,74,25,907</u>

8.1 Working Capital overall facilities of Rs. 50,00,00,000 (both fund and non-fund) from bank are secured by:

a) First pari-passu charge on current assets (stocks, semi-finished, finished goods, consumables stores and spares, book debts etc.) both present and future.

b) First pari-passu charge (along with lenders for Term Loans as per Note no. 5.2 above) on movable Property, Plant and Equipments and on Immovable Properties situated at the Company's factory and factory land and building situated at Plot No. 412,413 survey no. 184 and 195, GIDC, Industrial Estate, Taluka, Ankleshwar, District: Bharuch.

c) Personal guarantee of two directors of the Company

8.2 Working Capital facilities of Rs. 20,00,00,000 (both fund and non-fund) from bank are secured by:

a) Subservient Charge over the present and future current assets of the company

b) Subservient Charge over the present and future Movable Property, Plant and Equipments of the company and on Immovable property both present and future situated at Plot No. 412,413 at Panoli GIDC, Ankleshwar, District: Bharuch.

c) Personal guarantee of two directors of the Company

9. TRADE PAYABLES

Particulars	Refer Note no.	31st March 2020	31st March 2019
Payable for Goods and Services	9,1	33,41,022	14,03,201
Dues of Small and Micro Enterprises		6,91,67,731	9,01,92,786
Others		<u>7,25,08,753</u>	<u>9,15,95,987</u>

9.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	31st March 2020	31st March 2019
a) Principal amount remaining unpaid but not due as at year end	33,41,022	14,03,201
b) Interest amount remaining unpaid but not due as at year end	-	-
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) 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 Enterprises Development Act, 2006	-	-
e) Interest accrued and remaining unpaid as at year end	-	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

10. OTHER CURRENT LIABILITIES

Particulars	Refer Note no.	31st March 2020	31st March 2019
Current Maturities of Long Term Debts- Secured	5,2	23,05,04,000	-
Current Maturities of finance lease obligation- Secured	5,3	8,44,645	5,63,391
Interest Accrued but not due on Borrowings	5 and 8	95,09,314	57,96,339
Advance from Customers		10,47,095	77,51,954
Other Payables		2,01,67,625	37,01,163
Statutory Payables i.e. GST, PF, ESI, TDS etc.		4,57,390	11,99,372
Creditors for Capital Goods	10,1	1,15,92,010	84,57,815
Advance against sale of flats		3,08,967	59,56,808
Payable against Investments		83,900	83,900
Others		<u>27,45,14,946</u>	<u>3,35,10,742</u>

10.1

In terms of Agreements for sale of flats, the company has agreed to sale certain flats amounting to Rs. 2,28,82,941 (31st March 2019 Rs. 1,89,63,509) included under "Investment Property" for an aggregate consideration of Rs. 3,40,72,250/- (31st March 2019 Rs. 2,84,42,275/-) against which consideration amounting to Rs. 1,15,92,010/- (31st March 2019 Rs.84,57,815/-) has so far been received. Pending completion of legal and other formalities including conveyance deed and handing over possession to the buyer on receipt of entire consideration, the amount received as aforesaid has been shown as "Advance against sale of flats".



NOTE 12: Properties Plant & Equipments
For the Year ended 31st March 2020

PARTICULARS	AS AT		Gross Block		Disposal		AS AT		Accumulated Depreciation and Amortisation			NET BLOCK	
	31st March 2019	31st March 2020	Addition	Disposal	31st March 2020	31st March 2019	AS AT 31st March 2019	AS AT 31st March 2020	Depreciation for the year	Other adjustments	AS AT 31st March 2020	AS AT 31st March 2020	
TANGIBLE													
LEASEHOLD LAND	31.09.201	31.09.201	-	-	31.09.201	6,22,535	6,22,535	31,406	-	-	6,53,941	24,55,260	
FREEHOLD LAND	11,11,533	11,11,533	-	-	11,11,533	-	-	-	-	-	-	11,11,533	
FACTORY BUILDING	8,34,84,790	8,48,60,857	13,76,067	-	8,48,60,857	5,44,64,338	5,44,64,338	27,61,805	-	5,72,26,143	2,76,34,714		
GUEST HOUSE BUILDING	68,90,903	68,90,903	-	-	68,90,903	30,30,379	30,30,379	1,87,421	-	32,17,800	36,73,103		
OFFICE BUILDING	1,35,52,424	1,61,27,556	25,75,132	-	1,61,27,556	6,60,043	6,60,043	7,07,212	-	13,67,255	1,47,60,301		
FURNITURE & FIXTURES	81,01,582	24,92,724	44,92,724	-	1,05,94,306	69,63,946	69,63,946	6,54,727	-	76,18,673	29,75,633		
PLANT & MACHINERIES	16,88,58,253	1,44,56,126	1,44,56,126	-	18,33,14,379	14,78,79,739	14,78,79,739	82,71,490	-	15,61,51,229	2,71,63,150		
ELECTRIC INSTALLATIONS	1,91,63,456	79,03,449	79,03,449	-	2,70,66,905	1,74,92,016	1,74,92,016	11,06,210	-	1,85,98,226	84,68,679		
OFFICE EQUIPMENTS	41,34,807	17,10,881	17,10,881	-	58,45,688	38,43,496	38,43,496	5,43,437	-	43,86,933	14,58,755		
VEHICLES	90,95,082	14,69,528	14,69,528	10,58,814	95,05,796	69,63,142	69,63,142	9,74,084	6,47,595	72,89,631	22,16,165		
COMPUTERS	58,07,381	9,37,512	9,37,512	-	67,44,893	48,58,879	48,58,879	8,94,601	-	57,53,480	9,91,413		
TOTAL	32,33,09,412	3,29,21,419	3,29,21,419	10,58,814	35,51,72,017	24,67,78,513	24,67,78,513	1,61,32,393	6,47,595	26,22,63,311	9,29,08,706		
INTANGIBLE													
SOFTWARE	58,30,344	58,30,344	-	-	58,30,344	56,01,037	56,01,037	1,27,978	-	57,29,015	1,01,329		
TOTAL	58,30,344	58,30,344	-	-	58,30,344	56,01,037	56,01,037	1,27,978	-	57,29,015	1,01,329		

For the Year ended 31st March 2019

PARTICULARS	AS AT		Gross Block		Disposal		AS AT		Accumulated Depreciation and Amortisation			NET BLOCK	
	31st March 2018	31st March 2019	Addition	Disposal	31st March 2019	31st March 2018	AS AT 31st March 2018	AS AT 31st March 2019	Depreciation for the year	Other adjustments	AS AT 31st March 2019	AS AT 31st March 2019	
TANGIBLE													
LEASEHOLD LAND	31,09,201	31,09,201	-	-	31,09,201	5,91,129	5,91,129	31,406	-	-	6,22,535	24,86,666	
FREEHOLD LAND	11,11,533	11,11,533	-	-	11,11,533	-	-	-	-	-	-	11,11,533	
FACTORY BUILDING	8,34,84,790	8,34,84,790	-	-	8,34,84,790	5,12,60,078	5,12,60,078	32,04,260	-	5,44,64,338	2,90,20,452		
GUEST HOUSE BUILDING	68,90,903	68,90,903	-	-	68,90,903	28,33,395	28,33,395	1,96,984	-	30,30,379	38,60,524		
OFFICE BUILDING	-	1,35,52,424	1,35,52,424	-	1,35,52,424	-	-	6,60,043	-	6,60,043	1,28,92,381		
FURNITURE & FIXTURES	79,44,432	1,57,150	1,57,150	-	81,01,582	65,91,757	65,91,757	3,72,189	-	69,63,946	11,37,636		
PLANT & MACHINERIES	16,24,46,354	64,11,899	64,11,899	-	16,88,58,253	14,45,67,748	14,45,67,748	33,11,991	-	14,78,79,739	2,09,78,514		
ELECTRIC INSTALLATIONS	1,87,23,381	4,40,075	4,40,075	-	1,91,63,456	1,68,96,356	1,68,96,356	5,95,660	-	1,74,92,016	16,71,440		
OFFICE EQUIPMENTS	40,38,898	95,909	95,909	-	41,34,807	38,31,392	38,31,392	12,104	-	38,43,496	2,91,311		
VEHICLES	1,01,19,854	10,24,772	10,24,772	10,24,772	90,95,082	69,63,334	69,63,334	9,73,341	9,73,533	69,63,142	21,31,940		
COMPUTERS	49,75,353	8,32,028	8,32,028	-	58,07,381	45,31,673	45,31,673	3,27,206	-	48,58,879	9,48,502		
TOTAL	30,28,44,699	2,14,89,485	2,14,89,485	10,24,772	32,33,09,412	23,80,66,862	23,80,66,862	96,85,184	9,73,533	24,67,78,513	7,65,30,899		
INTANGIBLE													
SOFTWARE	82,25,956	82,25,956	-	23,95,612	58,30,344	67,35,869	67,35,869	5,49,896	16,84,728	56,01,037	2,29,307		
TOTAL	82,25,956	82,25,956	-	23,95,612	58,30,344	67,35,869	67,35,869	5,49,896	16,84,728	56,01,037	2,29,307		

12.1 Refer Note no. 5.2, 5.3, 8.1 and 8.2 in respect of charge created against borrowings



11. SHORT TERM PROVISIONS

Particulars	Refer Note no.	31st March 2020	31st March 2019
Provision for Employer Benefits			
For Leave Encashment	34	1,85,340	7,68,738
For Gratuity	34	1,23,313	12,55,512
Provision for Income Tax (Net of Advance Tax of Rs. 11,36,43,780/- (31st March 2019: Rs. 12,57,84,263)		85,522	1,31,300
		3,94,175	21,55,540

13. NON-CURRENT INVESTMENTS

Particulars		31st March 2020	31st March 2019
A. Investment in Properties			
Land	13.1	1,54,03,268	1,54,03,268
Buildings	13.2 and 10.1	3,75,71,829	8,79,53,229
		5,29,75,097	10,33,56,497

13.1

Investment in Land includes 900 Sq. Yard property at Delhi amounting to Rs. 1,00,00,000 (31st March 2019: Rs. 1,00,00,000) for which necessary title deeds are pending execution of registration thereof.

13.2

Investment in Buildings includes 8,910 Sq. Ft (31st March 2019: 21599 Sq. Ft) property at Kolkata amounting to Rs. 3,75,71,829 (31st March 2019: Rs. 8,79,53,229) for which necessary title deeds are pending execution of registration thereof.

B. Investment in Equity Instruments**i) Investment in Subsidiaries (Shares of Rs.10 each, Fully Paid-up, Unless otherwise stated) (Unquoted, Non Trade Investments)**

Particulars	Refer Note no.	As at 31st March 2020		As at 31st March 2019	
		No.	Amount	No.	Amount
Emerald Heights Private Limited		10,42,501	10,42,46,100	10,42,501	10,42,46,100
Rational Heights Private Limited		6,37,275	6,37,23,500	6,37,275	6,37,23,500
Hiramoti Nirman Private Limited		4,83,392	5,05,19,651	4,83,392	5,05,19,651
Adirish Heights Private Limited		57,55,000	5,75,50,000	57,55,000	5,75,50,000
Adirish Properties Private Limited		42,643.00	30,96,616	42,643	30,96,616
Merchem Limited (Partly Paid up)	13.3 and 13.4	87,06,701	16,70,67,010	7,06,701	70,67,010
			44,62,02,877		28,62,02,877

13.3

The National Company Law Tribunal, Chennai (NCLT) on completion of Corporate Insolvency Resolution Process (CIRP) initiated under Insolvency and Bankruptcy Code, 2016 (the 'Resolution Plan') vide its order dated 23rd January 2019 had approved the Resolution Plan (ARP) for revival of Merchem Limited (Merchem). The terms and conditions of the ARP are binding on erstwhile promoters, lenders, creditors, debtors and other parties connected with Merchem.

The Appeal filed against the ARP before National Company Law Appellate Tribunal (NCLAT) by ex-promoter director, earlier associate /ex-employee/erstwhile employee's association challenging the ARP has been dismissed vide its order dated 29th July 2020 and thereby ARP has been held to be valid and binding as aforesaid. The Company in earlier year invested Rs.70,67,010 in Equity Shares of Merchem and given Loan of Rs. 1,14,52,74,986 to the said company for settling the dues of Lenders, Statutory Liabilities, Creditors and other stake holders of Merchem as required in terms of ARP. Directions received from NCLAT pursuant to said order has been complied by the company.

During the year, further investment of Rs. 16,00,00,000 in the Equity Shares and Rs. 28,00,00,000 in OCRPS of Merchem has been made by the Company as a part of funding requirements in terms of ARP. Further, steps as envisaged in ARP of Merchem are being taken to revive the operations.

13.4

During the year, investment in 80,00,000 Equity Shares of Face value of Rs. 10 of Merchem has been made at a premium of Rs. 30 out of which Rs. 20 per share is yet to be called and amounts pertaining to the same will be paid as and when called and becoming due for payment.

ii) Others**(Unquoted, Non-Trade Investments) (Shares of Rs.10 each, Fully Paid-up, Unless otherwise stated)**

Particulars	As at 31st March 2020		As at 31st March 2019	
	No.	Amount	No.	Amount
BEIL Infrastructure Limited	52	750	52	750
Narmada Clean Tech Limited	6,35,355	4,63,500	6,35,355	4,63,500
(Formerly Inter-Connected Stock Exchange of India Limited)	12,48,260	1,56,03,250	12,48,260	1,56,03,250
Sai Rayalaseema Paper Mills Limited	52,716	6,40,499	52,716	6,40,499
Prateek Agro Experts Private Ltd	2,50,000	25,00,000	2,50,000	25,00,000
Leaha Commercial Private Limited	2,30,000	23,00,000	2,30,000	23,00,000
Gautam Resources Limited	12,000	-	12,000	-
Saffire Marketing Private Limited	42,105	21,54,775	42,105	21,54,775
		2,36,62,774		2,36,62,774
Less: Provision for diminution in value of investment		6,40,499		6,40,499
		2,30,22,275		2,30,22,275

C. Investment in Preference Shares**(Unquoted, Non-Trade Investments) (Face Value of Rs.100 each, Fully Paid-up, Unless otherwise stated)****i) Investment in Subsidiaries**

Particulars	Refer Note no.	As at 31st March 2020		As at 31st March 2019	
		No.	Amount	No.	Amount
7% Non-Cumulative Optionally Convertible Redeemable Preference Shares (OCRPS) Merchem Limited	13.3	28,00,000	28,00,00,000	-	-
			28,00,00,000		

D. Investment in Debentures**(Unquoted, Non-Trade Investments) (Face Value of Rs.30 each, Fully Paid-up, Unless otherwise stated)****(i) (Quoted, Non Trade Investments)**

Particulars	Refer Note no.	As at 31st March 2020		As at 31st March 2019	
		Units	Amount	Units	Amount
8% Secured Non-Convertible Redeemable Debentures Britannia Industries Limited (Maturity Date 28th February 2022)	13.5	851	25,530	-	-
			25,530		

13.5 Allotted during the year by Britannia Industries Limited as Bonus Shares as per NCLT Order dated 2nd August, 2019

