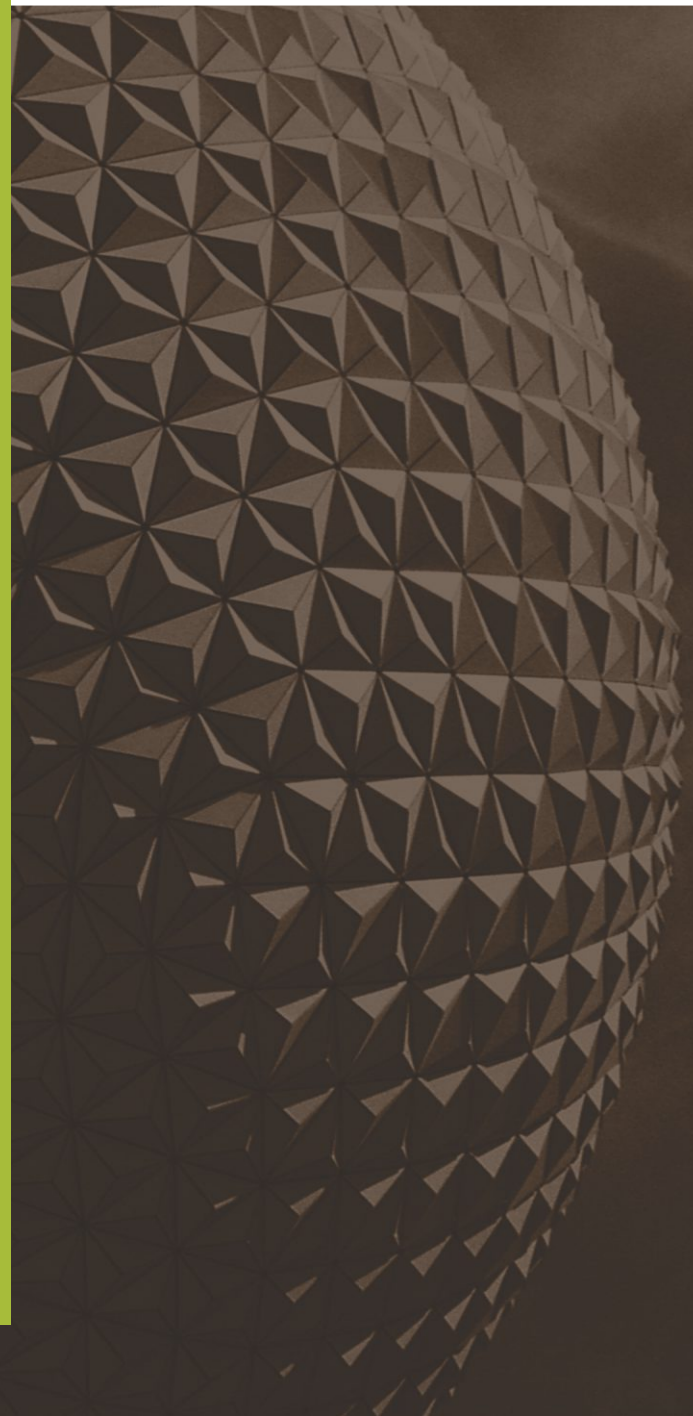




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# ANNUAL REPORT

2019-20



**BOARD OF DIRECTORS**

Dipesh K. Shroff	Chairman
Bimal V. Mehta	Director
Chandrabhas C. Dayal	Director
L. Rajagopalan	Director
Ravi A. Shroff	Director
Tushar C. Dayal	Director

**COMPANY SECRETARY**

Kruti Parekh (w.e.f 27th September, 2019)

**AUDITORS**

CNK & Associates LLP - Chartered Accountant

**BANKERS**

IDBI Bank Ltd.  
Kotak Mahindra Bank Ltd.

**REGISTERED OFFICE**

B - 601, Alkapuri Arcade,  
R. C. Dutt Road, Alkapuri  
Vadodara - 390 007, Gujarat, India

**FACTORY PREMISES**

- 1) At & Post: Piludra - 391 816  
Taluka: Jambusar, District: Bharuch, Gujarat, INDIA
- 2) Canal Road, At & Post: Karakhadi - 391 450  
Taluka: Padra, District: Vadodara, Gujarat, INDIA

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## NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT the 31st ANNUAL GENERAL MEETING of the Members of TML INDUSTRIES LIMITED will be held at 10.30 am on Tuesday, 29th September, 2020, at the Registered Office of the Company at B-601, Alkapuri Arcade, R.C. Dutt Road, Alkapuri, Vadodara 390007, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

(a) "**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

(b) "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To consider the re-appointment of Shri Dipesh K. Shroff as a Director who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Dipesh K. Shroff (DIN: 00030792), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

3. To consider the re-appointment of Shri Ravi A. Shroff as a Director who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Ravi A. Shroff (DIN: 00033505), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

### SPECIAL BUSINESS:

4. To consider the appointment of Shri Bimal Mehta (DIN No. 00081171) as an Independent Director and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule IV to the Companies Act, 2013, approval of the Company be and is hereby accorded for appointment of Shri Bimal Mehta (DIN No. 00081171) as an Independent Director of the Company to hold the office for a period of 5 years with effect from 1st October, 2020, AND THAT by virtue of sub section (13) of Section 149 of the Companies Act, 2013 he shall not be liable to retire by rotation."

5. To consider the appointment of Shri Lakshminarasimha Rajagopalan (DIN No. 00063935) as an Independent Director and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule IV to the Companies Act, 2013, approval of the Company be and is hereby accorded for appointment of Shri Lakshminarasimha Rajagopalan (DIN No. 00063935) as an Independent Director of the Company to hold the office for a period of 5 years with effect from 1st October, 2020, AND THAT by virtue of sub section (13) of Section 149 of the Companies Act, 2013 he shall not be liable to retire by rotation."

## NOTICE TO THE MEMBERS

6. To ratify related party transactions and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, the Shareholders of the Company be and hereby ratify the transaction entered into with Transpek Industry Ltd., a related party within the meaning of Section 2(76) of the Act, for acquisition of capital asset, for a value of Rs. 18,751 (Rupees Eighteen Thousand Seven Hundred Fifty One Only), inclusive of GST, on the terms and conditions as approved by the Board of Directors, provided that the said transaction(s) so carried out is at arm's length basis and in the ordinary course of business of the Company."

"**RESOLVED FURTHER THAT** the Shareholders of the Company be and hereby ratify the lease agreement entered into with Transpek Industry Ltd., a related party within the meaning of Section 2(76) of the Act, for obtaining on lease capital assets worth Rs. 42.07 crores (Rupees Forty Two Crores Seven Lakh Only) at a lease rent of Rs. 74,00,000 (Rupees Seventy Four Lakh Only) per month on the terms and conditions as approved by the Board of Directors, provided that the said transaction(s) so carried out is at arm's length basis and in the ordinary course of business of the Company."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby are authorised to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

7. To increase the borrowing limits of the Company and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard by the members of the Company, the consent of the Company be and is hereby accorded pursuant to the provisions of clause (c) of sub-section (1) of Section 180 of the Companies Act, 2013 (the Act) and other applicable provisions, if any, of the Act, for conferring upon the Board of directors of the Company the power to borrow any sum or sums of money for and on behalf of the Company from time to time from one or more financial institutions or banks or bodies corporate or from others by way of loans, whether unsecured or secured, issue of debentures, cash credits, other advances, deposits, by mortgage, charge, hypothecation or pledge of the Company's assets and properties, whether movable or immovable or stock-in-trade, work in process, finished goods and debts and advances, notwithstanding that the sum or sums so borrowed together with the moneys, if any, already borrowed by the Company (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) is /are in excess of the aggregate of the paid up share capital and free reserves for the time being but not exceeding Rs. 75,00,00,000/- (Rupees Seventy Five Crores) only."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office:**

B - 601, Alkapuri Arcade,  
R C Dutt Road,  
Vadodara – 390007  
Date: 4th August, 2020  
Place: Vadodara

**By Order of the Board of Directors  
For TML Industries Limited**

**Kruti Parekh**  
Company Secretary  
(ACS 25792)

**NOTES:**

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (b) The instrument appointing a proxy should be deposited at the Regd. Office of the Company not less than 48 hours before the commencement of the meeting.

## NOTICE TO THE MEMBERS

- (c) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
- (d) A member holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative/s to attend the meeting and vote on their behalf pursuant to Section 113 of the Act.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto. Details required as per Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment or re-appointment at the AGM are given at the end of the Explanatory Statement.
4. Members are requested to bring their attendance slip or L.F. No. for easy identification of their attendance at the meeting.
5. Relevant documents referred to in the Notice are open for inspection by the members at the Company's registered office during 14.00 hours to 16.00 hours on any working day (Monday to Saturday, except holidays) before the date of the Annual General Meeting.
6. Members who have not registered / updated their email addresses with the Company, are requested to register / update the same by sending an email to [cs@tmlind.com](mailto:cs@tmlind.com) with their full name and details of folio number and attaching a self-attested copy of PAN card for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically, as provided for in the Companies Act, 2013 and the Rules made thereunder.
7. In case of two or more joint holders attending the meeting, only such joint holder who is higher in the order of names on the Company's record will be entitled to vote at the meeting. Shareholders are requested to provide their Ledger Folio No. at the time of voting.

### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('the Act')

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### Item No. 4 & 5

As per the provisions of Section 149 of the Companies Act, 2013 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, the Company needs to have two Independent Directors on the Board of the Company. Shri Bimal Mehta and Shri Lakshminarasimha Rajagopalan are serving on the Board of the Company in the capacity of Non-Executive Directors. Due to the Companies Act requirement, the Board has recommended their appointment as Independent Directors to hold office for a period from 1st October 2020 to 30th September, 2025, not liable to retire by rotation, subject to consent of the Members of the Company at the ensuing AGM.

The Company has received necessary declaration(s) from Shri Bimal Mehta and Shri Lakshminarasimha Rajagopalan confirming that they meet the criteria as prescribed under the Companies Act, 2013 (the Act) and that they are not disqualified from being appointed as Directors under the provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and have given their consent to act as Directors of the Company.

Details required as per Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment or re-appointment at the AGM are given at the end of the Explanatory Statement.

In the opinion of the Board, Shri Bimal Mehta and Shri Lakshminarasimha Rajagopalan fulfill the conditions for their appointment as Independent Directors as specified in the Act and are independent of the management. Copy of the appointment letters, setting out their terms and conditions of appointment are available on the website of the Company at [www.tmlind.com](http://www.tmlind.com) and will be available for inspection, without any fees, by the Members at the Company's registered office during normal hours on working days upto the date of AGM and also at the Meeting.



## NOTICE TO THE MEMBERS

Save and except Shri Bimal Mehta and Shri Lakshminarasimha Rajagopalan, none of the Directors or Key Managerial Personnel and their relatives are in any way, interested or concerned, financially or otherwise in the Resolution set out at Item No. 4 and 5. Shri Bimal V. Mehta and Shri Lakshminarasimha Rajagopalan are not holding any share of the Company.

The Board of Directors recommends passing of the resolution as set out at item no. 4 and 5 of this Notice as Ordinary Resolutions.

### Item No. 6

The Company is doing job work for Transpek Industry Limited, a related party under the provisions of the Companies Act, 2013. As per GST (Goods and Service Tax) Regulations, the capital assets provided by Transpek Industry being used for job work by the Company need to be returned back to Transpek or else they are deemed to be supplied to the Company. Hence, both the Companies decided to enter into Lease Agreement for such capital assets.

Section 188 of the Act and the applicable Rules framed there under provide that any Related Party Transaction will require approval of shareholders or ratification of transaction within 3 months. Due to time limitation, prior approval of shareholders was not obtained and hence ratification by the shareholders is being sought for the said Related Party Transaction(s). Particulars of the transaction(s) are as follows:

Particulars	Remarks
Name of the Related Party	Transpek Industry Limited
Name of the Director or KMP who is related	Shri Dipesh Shroff - Director & Chairman Shri Ravi Shroff - Director
Nature of Relationship	Shri Dipesh K. Shroff is one of the Directors in Transpek Industry Ltd. and along with his relatives holds 187023 shares (3.35 %) in Transpek Industry Limited Shri Ravi A. Shroff is one of the Directors in Transpek Industry Ltd. and along with his relatives holds 205282 shares (3.68%) in Transpek Industry Limited
Nature, material terms, monetary value and particulars of the contract or arrangement	1. Purchase of Capital Assets Value Rs.18751 (inclusive of GST) on 29th June, 2020. 2. Lease Agreement dated 12th August, 2020 for leasing of Capital Assets worth Rs. 42.07 Crores at a lease rent of Rs.74,00,000 per month.
Any other information relevant or important for the members to take a decision on the proposed resolution	There is a corresponding increase in job work charges.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as an Ordinary Resolution.

### Item No. 7

The Members of the Company had at their Meeting held on 27th September, 2014 passed resolution under Section 180 (1) (c) authorizing the Board of Directors to borrow monies, from time to time, upto Rs. 60 crores. The Company's current borrowings are close to this limit of Rs. 60 crores hence it is considered necessary to increase the limits for borrowing of funds from Rs. 60 crores to Rs. 75 crores. While the Board has no plans for additional borrowings, this increase in limit is

## NOTICE TO THE MEMBERS

being done to ensure that we do not cross the borrowing limit in case the Company defers the payment of interest on the unsecured loans from Promoters and Inter Corporate Deposits in the coming financial year(s).

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 7 of the Notice.

The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as Special Resolution.

**Details required as per Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment or re-appointment at the AGM are provided below:**

Particulars	Shri Dipesh K. Shroff	Shri Ravi A. Shroff	Shri Bimal V. Mehta	Shri L Rajagopalan
<b>Age</b>	60 years	42 years	55 years	83 years
<b>Qualification</b>	Diploma in Civil Engineering; Management Excellence Programme from IIM, Ahmedabad; Owners/President Management Programme (OPM) – Harvard Business School, Boston	B.E. (Chemical Engineering), M.S. (Chemistry)	Chartered Accountant	Master's degree in Economics from Delhi University, Bachelor's degree in law from the MS University of Baroda, Fellow Member of the Institute of Company Secretaries of India holding a Certificate of Practice from that Institute.
<b>Experience</b>	Mr. Dipesh K. Shroff is presently the Managing Director of Agrocel Industries Private Limited. Previously, he was the Managing Director of Excel Crop Care Limited. He is also a Trustee of Vivekananda Research & Training Institute, International Resources for Fairer Trade, Mumbai, Kutch Nav Nirman Abhiyaan, Shrujan and Shrujan Creations, Kutch. He has a rich business experience of several years.	Shri Ravi A. Shroff has shouldered the responsibility of Excel Industries Limited in the capacity of Managing Director. He had also held eminent position of CEO and Executive Director of Anshul Specialty Molecules Private Limited and is presently a Director of the said Company. He is also holding Directorship in several Private Limited Companies and is also a partner in M/s. Anshul Life Sciences (formerly M/s. Anshul Agencies), Mumbai.	He has worked in senior level positions in several Indian and multi-national companies. He is currently the Managing Director of Transpek Industry Ltd. Prior to that he was the Managing Director of Nibbana Ltd., Mauritius, a joint venture between the Company and State Investment Corporation of the Govt. of Mauritius. He has several achievements and experience of effective consulting in business strategy, financial planning and restructuring and technology initiatives for many small, medium and large organizations.	He has also undergone training in several leading Management Institutes including the Royal Institute of Public Administration, U.K. and has had extensive exposure and experience in various aspects of corporate management.

## NOTICE TO THE MEMBERS

Terms and Conditions of Re-Appointment	Liable to retire by rotation	Liable to retire by rotation	Not Liable to retire by rotation	Not Liable to retire by rotation
Details of Remuneration	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Date of first appointment on Board	20/06/2007	08/01/2015	06/09/2016	06/09/2016
Shareholding in the Company	46500 equity shares	306500 equity shares	Nil	Nil
Relationship with other Directors, Manager, KMP	None	None	None	None
Number of Board Meetings attended during the financial year 2019-20	4	3	5	5
Other Directorships, Memberships/ Chairmanship of Committees of other Boards	1. Transpek Industry Ltd. – Director & Member of Audit Committee 2. Excel Industries Limited – Director & Chairman of Share Transfer Committee 3. ECCL Investments & Finance Ltd. – Director 4. Agrocel Industries Private Limited – Director & Chairman of CSR Committee 5. Pritami Investments Private Limited – Director 6. Shrodip Investments Private Limited – Director	1. Transpek Industry Ltd. – Director & Member of Finance & Capex Committee 2. Excel Industries Limited – Director & Member of Stakeholders' Relationship Committee and Audit Committee 3. Kamaljyot Investments Limited – Director 4. Transpek Industry (Europe) Ltd. – Director 5. Excel Bio Resources Limited – Director 6. Anshul Specialty Molecules Pvt. Ltd. - Director	1. Transpek Industry Ltd. - Managing Director 2. Transpek Industry Limited - Member of Finance & Capex Committee	1. Transpek-Silox Industry Private Ltd. - Director 2. Encore Research LLP - Designated Partner 3. Gujarat Ecology Society - Member of the Board of Governors 4. Centre for Fuel Studies and Research - Member of the Board of Governors



## NOTICE TO THE MEMBERS

7. Dipkanti Investments and Financing Private Limited – Director	7. Brihat Investments Pvt. Ltd. - Director
8. Kutch Crop Services Limited - Director	8. Harijash Investments Pvt. Ltd. - Director
9. Shroffs Engineering Private Limited – Director	9. Nuevo Telesoft Pvt. Ltd. - Director
10. Devnidhi Plastics Private Limited – Director	10. MobiTrash Recycle Ventures Pvt. Ltd. - Director
11. Vibrant Greentech India Private Limited – Director	11. MicroBiome Research Pvt. Ltd. - Director
12. Hyderabad Chemical Products Private Limited – Director	12. Divakar Techno Specialities & Chemicals Pvt. Ltd. - Director
13. Neo Seeds India Private Limited - Director	13. Anshul Innovative Chemistry Pvt. Ltd. - Director
	14. Transpek-Silox Industry Pvt. Ltd. - Director

### Justification for choosing the appointee as Independent Director

N.A.

N.A.

In the opinion of the Board, Shri Bimal Mehta fulfils the conditions for his appointment as an Independent Director as specified in the Act and is independent of the management.

In the opinion of the Board, Shri L Rajagopalan fulfils the conditions for his appointment as an Independent Director as specified in the Act and is independent of the management.

### Registered Office:

B - 601, Alkapuri Arcade,  
R C Dutt Road,  
Vadodara – 390007  
Date: 4th August, 2020  
Place: Vadodara

### By Order of the Board of Directors For TML Industries Limited

**Kruti Parekh**  
Company Secretary  
(ACS 25792)

**DIRECTORS' REPORT**

To  
The Members,  
TML Industries Limited.

Your Directors have pleasure in presenting the 31st Annual Report together with the Standalone and Consolidated Audited Financial Statements of Accounts of your Company for the financial year ended 31st March, 2020.

**1. FINANCIAL RESULTS (Standalone)**

	(Amount in Lakh)	
Particulars	2019-20	2018-19
Revenue from Operations	2781.67	1283.89
Other Income	125.32	57.66
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	859.82	-482.05
Less: Depreciation/ Amortisation/ Impairment	391.99	428.50
Profit /loss before Finance Costs, Exceptional items and Tax Expense	467.83	-910.55
Less: Finance Costs	746.63	591.85
Profit /loss before Exceptional items and Tax Expense	-278.79	-1502.40
Add/(less): Exceptional items	0.00	0.00
Profit /loss before Tax Expense	-278.79	-1502.40
Less: Tax Expense (Current & Deferred)	-86.92	-399.43
Profit /loss for the year	-365.71	-1901.83
Balance of profit /loss for earlier years	-4024.34	-2521.94
Balance carried forward	-4303.13	-4024.34

**2. RESULTS OF OPERATIONS, THE STATE OF THE COMPANY'S AFFAIRS AND OUTLOOK**

During the year 2019-20, your Company's endeavours to strengthen operations by increased toll manufacture bore fruition, with the Company having processed enhanced throughput on the basis of Regulatory permissions, for the revised product mix. These have been on the strength of long term tolling contracts obtained by the Company.

The Company has once again earned a positive EBITDA of Rs. 860 lakhs [previous year (Rs. 482 lakhs)] paving the way for further consolidation, during the years ahead.

Your Company's supplies of manufactured products, under toll arrangements, we believe, have not been significantly impaired by Covid 19; in the medium and long term. Toll manufactured throughputs in both the factories, it is envisaged, will get further momentum, during later part of the current year, in line with mandates being received from our principals.

## **DIRECTORS' REPORT**

Your Company's Promoters introduced additional long term working capital while Banks have continued to support the Company.

As per Government of India's Policy Guidelines, in the aftermath of the Covid 19 led business disruptions, your Company has been registered as an MSME enterprise, on the basis of which we shall be eligible for fiscal benefits, as applicable.

During the year under review, the Company has changed its Registered Office from 301, B Tower, Alkapuri Arcade, R.C. Dutt Road, Vadodara – 390007 to B-601, Alkapuri Arcade, R.C. Dutt Road, Vadodara – 390007.

### **3. DIVIDEND**

The Board of Directors do not recommend any Dividend for the year under review.

### **4. GENERAL RESERVE**

The Board does not propose to carry any amount to any reserve.

### **5. MATERIAL CHANGES AND COMMITMENTS FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT**

- Global Pandemic – Covid-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Following the lockdown guidelines announced by the Government, both the plants of the Company – Piludra and Karakhdi - were closed from 23rd March 2020 to 24th April, 2020. However, there has not been a very significant impact on the production and revenue due to this closure.

- Classification under MSME

In terms of the new definition of Micro, Small & Medium Enterprises laid down vide Notification dated 26th June, 2020 under the MSME Act, 2006, with effect from 1st July 2020 the Company falls under MSME. The Udhyaam Registration Certificate has been obtained by the Company.

### **6. EXTRACT OF ANNUAL RETURN & WEB-ADDRESS OF THE ANNUAL RETURN**

The Extract of Annual Return as referred to in sub-section (3) of section 92 is annexed to this report as 'Annexure II'. The Annual Return in Form MGT – 7 as per Sections 134 (3) (a) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management and Administration) Rules, 2014 is placed on the website of the Company [www.tmlind.com](http://www.tmlind.com).

### **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Ms. Kruti Parekh was appointed as the Company Secretary of the Company with effect from 27th September, 2019.

Shri Dipesh K. Shroff and Shri Ravi A. Shroff, Directors of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

### **8. MEETINGS OF THE BOARD**

During the year under review, 5 (five) Board Meetings were held.

### **9. AUDITORS AND AUDITOR'S REPORT**

The members of the Company had, at their 28th Annual General Meeting held on 30th November, 2017 appointed CNK & Associates LLP, Chartered Accountants, Vadodara, (Firm registration No. 101961W/W100036) as Statutory Auditors of the Company for a period of five years i.e. from the conclusion of the 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting as prescribed under Section 139 (2) of the Act and relevant rules framed thereunder.

## DIRECTORS' REPORT

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### 10. DETAILS OF FRAUD REPORT BY AUDITOR

No fraud has been reported by the Auditors to the Board.

### 11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, your Company has not directly or indirectly –

- I. given any loan to any person or other body corporate other than usual advances envisaged in a contract for supply of materials or equipment or job work, if any;
- II. given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- III. acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

The existing loans, guarantees and investments are provided in Notes No. 13 and 14 to the Financial Statements.

### 12. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year ended 31st March, 2020 were on an arm's length basis and were in the ordinary course of business. The disclosure of transactions with related parties for the year, as per Accounting Standard - 18 Related Party Disclosures is given in Note No. 29.3 to the Balance Sheet as on 31st March, 2020.

Details relating to the transactions considered material in nature have been given in the Annexure to this report in the prescribed form AOC – 2 pursuant to clause (h) of sub – section 3 of Section 134 of the Companies Act, 2013 and Rule 8 (2) of Companies (Accounts) Rules, 2014 as 'Annexure IV'.

### 13. DEPOSITS

During the year under review, the company has not accepted any deposits covered under or in contravention of Chapter V of the Companies Act, 2013. Deposits amounting to Rs.4,80,000/- remained unclaimed since the previous financial year.

### 14. SHARE CAPITAL

During the year under review, there has not been any change in the issued and paid up share capital of the Company. The Company has neither issued any equity shares with differential rights as to dividend, voting or otherwise, nor issued any shares (including sweat equity shares) to employees of the Company under any scheme. During the year under review, the Company has not brought out any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

### 15. REMUNERATION TO DIRECTORS & EMPLOYEES

During the year under review, none of the Directors was in receipt of commission from the Company or from its Subsidiary.

During the year under review, there were no employees who were in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel) Rules, 2014.

### 16. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company has one wholly owned subsidiary namely Oasis Agritech Limited which has, as reported earlier, suspended its business activities since F. Y. 2011-2012. Details regarding the same have been provided in Form AOC-1 attached herewith as Annexure-III.

## **DIRECTORS' REPORT**

### **17. CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of the Act, the consolidated audited financial statement forms part of the Annual Report.

### **18. RISK MANAGEMENT**

The Company has formulated a policy to identify and evaluate business risks and opportunities in compliance with the provisions of Section 134 (3) (n) of the Act. This policy framework ensures transparency, minimizes adverse impact on the business objectives and enhances the Company's competitive advantage.

### **19. INTERNAL FINANCIAL CONTROLS**

The Company has laid down adequate and effective Internal Financial Controls with reference to financial statements, commensurate with its size and nature of business operations. During the year, such controls were tested and upgraded and no reportable material weaknesses in the design or operation were observed.

### **20. 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 Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed to this report as 'Annexure – I'.

### **21. CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company.

### **22. SIGNIFICANT OR MATERIAL ORDERS**

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

### **23. QUALITY, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT SYSTEMS**

Your Company continues to hold and maintain ISO 9001:2015 certification for Piludra and Karakhadi Plants from TUV CERT a certification body of TUV Rheinland Cert GmbH for development and manufacturing system of the Company's products and also holds ISO 14001:2015 Certification for Environment Management System for its Piludra Plant. These offer benefits in terms of assurance of consistent product quality and healthy working environment at manufacturing sites.

As a part of environment conservation initiatives, the Company has planted nearly 1700 saplings of trees in the empty landscapes at Karakhadi and Piludra Plants during the year under review.

The Company places a strong emphasis on ensuring safety of the employees and surrounding population and has very effective safety management systems in place.

### **24. CORPORATE SOCIAL RESPONSIBILITY**

Your Company has continued supporting Aatapi Seva Foundation ('Aatapi'), a Not For Profit Company promoted by the Company in the year 2008-09 to give impetus to enhanced development in the areas where the Company's factories are located. Major focus areas of Aatapi include: Livelihood for socially and economically marginalized women through Community Based Organizations (CBOs), livelihood for persons with disabilities, promotion of sustainable agricultural practices among small and marginal farmers through Farmer Producer Organization (FPO), health and well-being and holistic education.

During the year 2019-20, Aatapi spread its wings out of Jambusar, and started working in Ankleshwar, Bharuch, proximate to Panoli, for its Women Empowerment programme. Aatapi's geographical reach increased to over 53 villages and several thousands of households. Intensive efforts were invested in strengthening local leadership in CBOs, including Farmers' Producer Organisations. Disability and Inclusion for the marginalised have been focused by investing



## DIRECTORS' REPORT

in leadership in 30 villages with livelihood enhancement efforts. Additionally, interventions in adolescent health with disabilities were focused. Apart from this, disaster management and extensive relief work were undertaken by Aatapi during floods in July 2019 and during COVID lockdowns in March 2020, with an outreach of over 2000 families.

### 25. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has put in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal committee of women employees is also set up to redress complaints received which are monitored by women supervisors who are fully aware of the Policy and redressal mechanism. All employees of the Company, those of contractors as well as trainees are covered under this Policy. No complaint was received from any employee during the financial year 2019-2020 and no complaint is outstanding as on 31st March, 2020 for redressal.

### 26. SECRETARIAL STANDARDS

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

### 27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 (3) (c) of the Act, with respect to Directors' Responsibility Statement, the Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the co-operation and assistance extended to the Company by the Promoters, Company's Bankers and State Government agencies. Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels towards the growth of the Company. Your Directors also acknowledge with gratitude the support of the Shareholders, Investors, Deposit holders, Customers and Suppliers for the faith reposed in the Company and its Management.

#### For and on behalf of the Board of Directors

<b>Tushar Dayal</b>	<b>Bimal Mehta</b>
Director	Director
(DIN: 01055037)	(DIN: 00081171)

Place: Vadodara

Date: 4th August, 2020

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE-I

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

##### (A) CONSERVATION OF ENERGY:

- The location of Transformer has been changed in the Piludra plant for proper utilization of Energy.
- The quality parameters for imported coal procurement have been strengthened which has improved calorific value at Piludra plant.
- The Company has started utilizing recycled water.
- Different grades of insulation are being applied to reduce heat losses.

##### (B) TECHNOLOGY ABSORPTION:

- The Company has made substantial efforts in reduction of process waste and effluents.
- The Company has changed product-mix to reduce generation of by-products.

##### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Foreign Exchange earned: Nil
- Foreign Exchange used: Nil

#### Form No. MGT – 9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and Other Details

CIN	U74120GJ1989PLC012329
Registration Date:	7th June, 1989
Name of the Company	TML Industries Limited
ISIN No	INE03UP01019
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	B-601- Alkapuri Arcade, R C Dutt Road, Vadodara – 390007. Contact No: (0265) 2343302
Whether Listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, B-102 & 103 Shangrila Complex, 1st Floor, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 Phone: (0265) 2356794; 2356573 Email: vadodara@linkintime.co.in alpesh.gandhi@linkintime.co.in

## ANNEXURE TO DIRECTORS' REPORT

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Agrochemical Intermediates	20202	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Oasis Agritech Limited	U01135GJ19 96PLC030102	Subsidiary	100%	2 (87) (ii)

## IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(I) Category-wise Share Holding:

Category of Shareholders	Number of Shares held at the Beginning of the year				Number of Shares held at the end of the year				% Change during the Year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. PROMOTERS</b>										
<b>(1) Indian</b>										
a) Individual / HUF	-	1988080	1988080	37.87	1093160	686920	1780080	33.91	-3.96	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corporate	-	2468100	2468100	47.01	1180850	1497250	2678100	51.01	4.00	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub Total (A)(1)</b>	-	<b>4456180</b>	<b>4456180</b>	<b>84.88</b>	<b>2274010</b>	<b>2184170</b>	<b>4458180</b>	<b>84.92</b>	<b>0.04</b>	
<b>(2) Foreign</b>										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	

**ANNEXURE TO DIRECTORS' REPORT**

category of Shareholders	Number of Shares held at the Beginning of the year				Number of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	0	4456180	4456180	84.88	2274010	2184170	4458180	84.92	0.04
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	-	2050	2050	0.04	-	2050	2050	0.04	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals / HUF									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	561970	561970	10.70	28510	531460	559970	10.66	-0.04
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	229800	229800	4.38	-	229800	229800	4.38	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>	-	<b>793820</b>	<b>793820</b>	<b>15.12</b>	<b>28510</b>	<b>763310</b>	<b>791820</b>	<b>15.08</b>	<b>-0.04</b>
<b>Total Public shareholding (B) = (B)(1)+(B)(2)</b>	-	<b>793820</b>	<b>793820</b>	<b>15.12</b>	<b>28510</b>	<b>763310</b>	<b>791820</b>	<b>15.08</b>	<b>-0.04</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A+B+C)</b>	-	<b>5250000</b>	<b>5250000</b>	<b>100</b>	<b>2302520</b>	<b>2947480</b>	<b>5250000</b>	<b>100</b>	-

## ANNEXURE TO DIRECTORS' REPORT

## (ii) Shareholding of Promoters

Sr. No.	Name of Shareholders	Number of Shares held at the Beginning of the year			Number of Shares held at the end of the year			% Change during the Year
		Total Shares	% of Total Shares	% of Shares Pledged / encumbered to Total Shares	Total Shares	% of Total Shares	% of Shares Pledged / encumbered to Total Shares	
1	Anshul A. Bhatia	25000	0.48	-	25000	0.48	-	-
2	Atul Dayal	15500	0.30	-	15500	0.30	-	-
3	Dipkanti Investments and Financing Private Limited	750	0.01	-	525750	10.01	-	10.00
4	Hyderabad Chemicals Ltd.	5500	0.10	-	5500	0.10	-	-
5	Madison Investments Private Limited	131500	2.50	-	656500	12.50	-	10.00
6	Excel Industries Limited	888750	16.93	-	888750	16.93	-	-
7	Kamaljiyot Investments Ltd.	31750	0.61	-	31750	0.61	-	-
8	Agrocel Industries Pvt. Ltd.	439000	8.36	-	439000	8.36	-	-
9	Heena L. Popat	10500	0.20	-	10500	0.20	-	-
10	Lalji Popat	500	0.01	-	500	0.01	-	-
11	Shruti Atul Shroff	132470	2.52	-	132470	2.52	-	-
12	Atul Govindji Shroff	218150	4.16	-	218150	4.16	-	-
13	Atul Govindji Shroff - HUF	10000	0.19	-	10000	0.19	-	-
14	Ami K. Shroff	7500	0.14	-	7500	0.14	-	-
15	Preeti D. Shroff	10000	0.19	-	10000	0.19	-	-
16	Usha Ashwin Ashroff	25300	0.48	-	25300	0.48	-	-
17	Ashwin Champraj Shroff	71500	1.36	-	71500	1.36	-	-
18	Vishwa Atul Shroff	27500	0.52	-	27500	0.52	-	-
19	Ravi Ashwin Shroff	44000	0.84	-	306500	5.84	-	5.00
20	Hrishit Ashwin Shroff	42500	0.81	-	305000	5.81	-	5.00
21	Dipesh K. Shroff	46500	0.89	-	46500	0.89	-	-
22	Anshul Specialty Molecules Pvt. Ltd.	127000	2.42	-	127000	2.42	-	-
23	Pratik Tushar Dayal	346460	6.60	-	46460	0.89	-	-5.71
24	Pratipal Investments Pvt. Ltd.	843850	16.07	-	3850	0.07	-	-16.00
25	Tushar Dayal - HUF	269050	5.12	-	234050	4.46	-	-0.66
26	Tushar Dayal	86450	1.65	-	7450	0.14	-	-1.51
27	Hiral Dayal	262400	5.00	-	243400	4.64	-	-0.36
28	Paritosh T. Dayal	336800	6.42	-	36800	0.70	-	-5.72
	<b>TOTAL</b>	<b>4456180</b>	<b>84.88</b>	<b>-</b>	<b>4458180</b>	<b>84.92</b>	<b>-</b>	<b>0.04</b>



## ANNEXURE TO DIRECTORS' REPORT

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	<b>Dipkanti Investments and Financing Private Limited</b>				
	At the beginning of the year	750	0.01		
	09.04.2019 - Acquired	435000	8.29	435750	8.30
	26.04.2019 - Acquired	90000	1.71	525750	10.01
	At the End of the year			<b>525750</b>	<b>10.01</b>
2	<b>Madison Investments Private Limited</b>				
	At the beginning of the year	131500	2.50		
	09.04.2019 - Acquired	300000	5.71	431500	8.21
	26.04.2019 - Acquired	225000	4.29	656500	12.50
	At the End of the year			<b>656500</b>	<b>12.50</b>
3	<b>Ravi Ashwin Shroff</b>				
	At the beginning of the year	44000	0.84		
	26.04.2019 - Acquired	262500	5.00	306500	5.84
	At the End of the year			<b>306500</b>	<b>5.84</b>
4	<b>Hrishit Ashwin Shroff</b>				
	At the beginning of the year	42500	0.81		
	26.04.2019 - Acquired	262500	5.00	305000	5.81
	At the End of the year			<b>305000</b>	<b>5.81</b>
5	<b>Pratik Tushar Dayal</b>				
	At the beginning of the year	346460	6.60		
	11.04.2019 - Sold	-300000	-5.71	46460	0.89
	At the End of the year			<b>46460</b>	<b>0.89</b>
6	<b>Pratipal Investments Pvt. Ltd.</b>				
	At the beginning of the year	843850	16.07		
	26.04.2019 - Sold	-840000	-16.00	3850	0.07
	At the End of the year			<b>3850</b>	<b>0.07</b>
7	<b>Tushar Dayal - HUF</b>				
	At the beginning of the year	269050	5.12		
	09.04.2019 - Sold	-35000	-0.66	234050	4.46
	At the End of the year			<b>234050</b>	<b>4.46</b>
8	<b>Tushar Dayal</b>				
	At the beginning of the year	86450	1.65		
	09.04.2019 - Sold	-80000	-1.53	6450	0.12
	08.07.2019 - Acquired	1000	0.02	7450	0.14
	At the End of the year			<b>7450</b>	<b>0.14</b>
9	<b>Hiral Dayal</b>				
	At the beginning of the year	262400	5.00		
	09.04.2019 - Sold	-20000	-0.38	242400	4.62
	08.07.2019 - Acquired	1000	0.02	243400	4.64
	At the End of the year			<b>243400</b>	<b>4.64</b>
10	<b>Paritosh T. Dayal</b>				
	At the beginning of the year	336800	6.42		
	09.04.2019 - Sold	-300000	-5.72	36800	0.70
	At the End of the year			<b>36800</b>	<b>0.70</b>

**Note:** There is no change in shareholding of the promoters other than those mentioned above.

## ANNEXURE TO DIRECTORS' REPORT

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	<b>Prakash Shroff</b>				
	At the beginning of the year	37500	0.71		
	Changes during the year	No Change			
	At the End of the year			37500	0.71
2	<b>Rajendra Vrajlal Mehta</b>				
	At the beginning of the year	32050	0.61		
	Changes during the year	No Change			
	At the End of the year			32050	0.61
3	<b>Ranjan Shroff</b>				
	At the beginning of the year	32000	0.61		
	Changes during the year	No Change			
	At the End of the year			32000	0.61
4	<b>Sushma Sharma</b>				
	At the beginning of the year	26000	0.50		
	Changes during the year	No Change			
	At the End of the year			26000	0.50
5	<b>Praful Saraiya</b>				
	At the beginning of the year	24700	0.47		
	Changes during the year	No Change			
	At the End of the year			24700	0.47
6	<b>Kunal Prakash Shroff</b>				
	At the beginning of the year	23900	0.46		
	Changes during the year	No Change			
	At the End of the year			23900	0.46
7	<b>Priti Shroff</b>				
	At the beginning of the year	22000	0.42		
	Changes during the year	No Change			
	At the End of the year			22000	0.42
8	<b>Kiran Shroff</b>				
	At the beginning of the year	16000	0.30		
	Changes during the year	No Change			
	At the End of the year			16000	0.30
9	<b>Neha Shroff</b>				
	At the beginning of the year	16000	0.30		
	Changes during the year	No Change			
	At the End of the year			16000	0.30
10	<b>Kanan Shroff</b>				
	At the beginning of the year	16000	0.30		
	Changes during the year	No Change			
	At the End of the year			16000	0.30

## ANNEXURE TO DIRECTORS' REPORT

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	<b>Dipesh Shroff</b>				
	At the beginning of the year	46500	0.89		
	Changes during the year	No Change			
	At the End of the year			<b>46500</b>	<b>0.89</b>
2	<b>Bimal Mehta</b>				
	At the beginning of the year	0	0.00		
	Changes during the year	No Change			
	At the End of the year			<b>0</b>	<b>0.00</b>
3	<b>Chandahas Dayal</b>				
	At the beginning of the year	0	0.00		
	Changes during the year	No Change			
	At the End of the year			<b>0</b>	<b>0.00</b>
4	<b>L Rajagopalan</b>				
	At the beginning of the year	0	0.00		
	Changes during the year	No Change			
	At the End of the year			<b>0</b>	<b>0.00</b>
5	<b>Ravi Shroff</b>				
	At the beginning of the year	44000	0.84		
	26.04.2019 - Acquired	262500	5.00	306500	5.84
	At the End of the year			<b>306500</b>	<b>5.84</b>
6	<b>Tushar Dayal</b>				
	At the beginning of the year	86450	1.65		
	09.04.2019 - Sold	-80000	-1.53	6450	0.12
	08.07.2019 - Acquired	1000	0.02	7450	0.14
	At the End of the year			<b>7450</b>	<b>0.14</b>
7	<b>Kruti Parekh</b>				
	At the beginning of the year	0	0.00		
	Changes during the year	No Change			
	At the End of the year			<b>0</b>	<b>0.00</b>

## ANNEXURE TO DIRECTORS' REPORT

## V. INDEBTEDNESS

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

INDEBTEDNESS	Secured loans excluding deposits	Unsecured Loans	Deposits	Rs in lakhs
				Total
<b>At the beginning of the Year</b>				
Principal amount	1267.02	4511.00	-	5,778.02
Interest due but not paid	-	240.21	-	240.21
Interest accrued but not due	-	-	-	-
<b>Total</b>	<b>1267.02</b>	<b>4,751.21</b>	<b>-</b>	<b>6018.23</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	1051.55	-	-
Reduction	267.84	-	-	-
<b>Net Change</b>	<b>-267.84</b>	<b>1051.55</b>	<b>-</b>	<b>783.71</b>
<b>At the end of the Year</b>				
Principal amount	999.18	5181.15	-	6180.33
Interest due but not paid	-	621.61	-	621.61
Interest accrued but not due	-	-	-	-
<b>Total</b>	<b>999.18</b>	<b>5802.76</b>	<b>-</b>	<b>6801.94</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors:

Sl. no.	Name of Director	Total Amount
1	Tushar Dayal	36,00,000/-
<b>Total</b>		<b>36,00,000/-</b>

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

Sl. no.	Particulars of Remuneration:	From 27.09.2019 CS – Kruti Parekh	Total (Rs.)
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	214,667/-	214,667/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
-	as % of profit		
-	others, specify...	-	-
5.	Others, please specify	-	-
<b>Total</b>		<b>214,667/-</b>	<b>214,667/-</b>

(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

## ANNEXURE TO DIRECTORS' REPORT

### FORM NO. AOC-1

#### Statement containing salient features of the financial statement of Subsidiaries or associate companies or joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No.	1
2. Name of the subsidiary	Oasis Agritech Limited
3. The date since when subsidiary was acquired	03.07.1996 (Date of Incorporation)
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2019 to 31.03.2020
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
6. Share capital	5,00,000
7. Reserves and surplus	-93,16,463
8. Total Assets	38,462
9. Total Liabilities	38,462
10. Investments	NIL
11. Turnover	NIL
12. Profit before taxation	NIL
13. Provision for taxation	NIL
14. Profit after taxation	NIL
15. Proposed Dividend	NIL
16. Extent of shareholding (in percentage)	100%

#### Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	Nil	Nil	Nil
2. Date on which the Associate or Joint Venture was associated or acquired	Nil	Nil	Nil
3. Shares of Associate or Joint Ventures held by the company on the year end	Nil	Nil	Nil
No.	Nil	Nil	Nil
Amount of Investment in Associates or Joint Venture	Nil	Nil	Nil
Extend of Holding (in percentage)	Nil	Nil	Nil
4. Description of how there is significant influence	Nil	Nil	Nil



**ANNEXURE TO DIRECTORS' REPORT**

<b>Name of Associates or Joint Ventures</b>	<b>Name 1</b>	<b>Name 2</b>	<b>Name 3</b>
5. Reason why the associate / joint venture is not consolidated	Nil	Nil	Nil
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	Nil	Nil	Nil
7. Profit or Loss for the year	Nil	Nil	Nil
i. Considered in Consolidation	Nil	Nil	Nil
ii. Not Considered in Consolidation	Nil	Nil	Nil

**For and on behalf of the Board of Directors****Tushar Dayal**

Director

(DIN: 01055037)

**Bimal Mehta**

Director

(DIN: 00081171)

**Kruti Parekh**

Company Secretary

(ACS 25792)

Place: Vadodara

Date: 4th August, 2020

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE-IV FORM NO. AOC – 2

(Pursuant to clause (h) of sub – section (3) of section 134 of the Companies Act, and Rules made there under)

Form for Disclosure of particulars of contract / arrangements entered into by the Company with the Related Parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto:

1. Details of Contracts or Arrangements or Transactions not at arm's length basis: NIL
2. Details of Material Contracts or Arrangement or Transactions at arm's length basis:

Name of related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Duration of contract/ arrangement/ transaction	Salient terms of the contract/ arrangement/ transaction including the value, if any	Date of approval by Board if any	Amount paid as advances, if any
Transpek Industry Ltd (TIL)	Shri Dipesh Shroff & Shri Ravi Shroff, Directors of the Company are also Directors of TIL and hold, along with their relatives, more than 2% of the paid-up share capital of TIL	Job Work Income	Karakhadi Unit 1st Dec 2016 to 30th Nov 2021  Piludra Unit 22nd Dec 2017 to 21st Dec 2022	2447.20 lakhs	25th November 2016	Nil

#### For and on behalf of the Board of Directors

**Tushar Dayal**  
Director  
(DIN: 01055037)

**Bimal Mehta**  
Director  
(DIN: 00081171)

Place: Vadodara  
Date: 4th August, 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of TML Industries Limited

### Report on the audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of TML Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss, statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2020, its loss and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

1. We draw attention of the members to Note no 29.6 regarding these financial statements being prepared on going concern basis though the company has been incurring losses, its net worth has been substantially eroded as on 31st March, 2020 and as on that date, its current liabilities are substantially higher than current assets. The same is on the basis of management representation, that the operations of the company are continuing in view of the agreement with a customer to manufacture products on "Toll manufacturing basis" and the promoters have committed to infuse appropriate additional funds into the company as and when required to meet its on-going liabilities.
2. We draw attention of the members to Note no 29.4 that the company has, on 31st March, 2020, recognised deferred tax asset of Rs. 9,28,01,186 on account of unabsorbed depreciation and business losses as per the Income Tax Act, 1961 on the basis that the agreement with a customer to manufacture products on "Toll manufacturing basis" results in virtual certainty to generate sufficient future taxable income which will be available against which such deferred tax assets can be realised.

Our opinion is not modified in respect of the matters in 1 and 2 above.

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error;

In preparing the 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.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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;

## INDEPENDENT AUDITOR'S REPORT

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone 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. 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone

## INDEPENDENT AUDITOR'S REPORT

financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28.1 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There have been no such instances requiring transfer of any amounts to the Investor Education and Protection Fund by the Company.

### **For CNK & Associates LLP**

Chartered accountants

Firm Registration No: 101961W/W-100036

### **Pareen Shah**

Partner

Membership No: 125011

Vadodara, 4th August, 2020

UDIN: 20125011AAAACF5691

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Standalone financial statements for the year ended 31st March 2020.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- 1(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- 1(b) As informed to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
- 1(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company;
- 2 According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable;

In our opinion and according to the information and explanations given to us, the discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;

- 3 According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3(a), 3(b) and 3(c) are not applicable for the year;
- 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 Act, with respect to the loans and investments made;
- 5 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76 of the companies Act, 2013 and the rules framed there under for the deposits accepted by the company;
- 6 We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- 7(a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise-duty, value added tax, cess and other statutory dues as applicable with appropriate authorities. There are no undisputed statutory dues outstanding as at 31st March 2020, for a period of more than six months from the date they became payable.
- 7(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs, goods & service tax, service tax, excise duty, value added tax or cess that has not been deposited on account of disputes except followings:



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Name of the Statute	Nature of Dues	Amount* (₹)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	6,69,060	2013-14	CIT(A)

- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial Institution or Bank;
- 9 According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which the loans were obtained;
- 10 During the course of our examination of the books of account and records of the company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management;
- 11 According to the information and explanations give 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;
- 12 In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable;
- 13 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 sections 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;
- 14 According to the information and explanations give 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;
- 15 According to the information and explanations given to us 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;
- 16 The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

### For CNK & Associates LLP

Chartered accountants

Firm Registration No: 101961W/W-100036

### Pareen Shah

Partner

Membership No: 125011

Vadodara, 4th August, 2020

UDIN: 20125011AAAACF5691

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>A EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	3	52,500,000	52,500,000
(b) Reserves and surplus	4	(184,207,061)	(156,327,802)
		(131,707,061)	(103,827,802)
<b>2 Non-Current Liabilities</b>			
(a) Long- term borrowings	5	530,443,351	532,166,885
(b) Other Long term liabilities	6	-	35,200,000
(c) Long- term provisions	7	22,602,529	19,341,807
		553,045,880	586,708,692
<b>3 Current Liabilities</b>			
(a) Short term borrowings	8	27,902,943	37,187,814
(b) Trade payables	9		
i) Total outstanding dues of Micro and small enterprises		5,891,752	984,142
ii) Total outstanding dues of creditors other than micro and small enterprises		46,113,453	109,532,635
(c) Other current liabilities	10	160,768,875	86,653,834
(d) Short -term provisions	11	4,958,560	3,415,245
		245,635,583	237,773,670
<b>Total</b>		<b>666,974,402</b>	<b>720,654,561</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment	12		
I) Tangible assets		473,893,911	525,049,407
II) Intangible assets		4,957,701	7,162,418
(b) Capital work-in-progress		1,820,000	2,275,000
		480,671,612	534,486,825
(c) Non-current Investments	13	572,500	572,500
(d) Deferred tax assets (net)	29.4	92,801,186	84,109,565
(e) Long- term Loans and Advances	14	21,201,590	14,101,187
(f) Other non-current assets	15	432,975	408,373
<b>2 Current Assets</b>			
(a) Inventories	16	17,214,207	45,628,220
(b) Trade receivables	17	36,623,736	20,573,173
(c) Cash and Cash Equivalents	18	2,211,057	3,101,977
(d) Short- term loans and advances	19	8,068,104	8,441,613
(e) Other current assets	20	7,177,436	9,231,129
		71,294,540	86,976,111
<b>Total</b>		<b>666,974,402</b>	<b>720,654,561</b>
Notes forming part of the Financial Statements	1 to 30		

As per our report of even date

**For CNK & Associates LLP**

Chartered Accountants

FRN: 101961W/W - 100036

**Pareen Shah**

Partner

Mem No: 125011

Place : Vadodara

Date : 4th August, 2020

**For and on behalf of the Board of Directors****Tushar Dayal**

Director

DIN: 01055037

**Kruti Parekh**

Company Secretary (ACS:25792)

Place : Vadodara

Date : 4th August, 2020

**Bimal Mehta**

Director

DIN: 00081171

**STANDALONE STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note	For the year ended 31-Mar-20 ₹	For the Year year ended 31-Mar-19 ₹
I. Revenue from Operations	21	278,167,221	128,388,748
II. Other Income	22	12,532,303	5,765,988
III. Total revenue (I + II)		290,699,524	134,154,736
IV. Expenses			
Cost of Raw Material Consumed	23	8,523,693	23,955,566
Changes in Inventories of Finished Goods and Work-in-progress	24	25,048,929	14,848,771
Employee Benefits Expense	25	109,241,862	104,756,934
Finance Costs	26	74,662,665	59,185,339
Depreciation and Amortization Expense	12	39,198,737	42,849,524
Other Expenses	27	70,594,517	78,741,516
<b>Total Expenses</b>		<b>327,270,404</b>	<b>324,337,649</b>
V. <b>Loss Before Tax (III-IV)</b>		<b>(36,570,880)</b>	<b>(190,182,914)</b>
VI. <b>Tax Expenses</b>			
Short/Excess Provision for Tax in earlier years		-	(971,809)
Deferred Tax (Refer note 29.4)		(8,691,621)	(38,970,965)
VII. <b>Loss from Continuing Operations (V-VI)</b>		<b>(27,879,259)</b>	<b>(150,240,140)</b>
VIII. Earnings per Equity Share (of ₹ 10/- each):			
Basic and Diluted (Refer note 29.5)		(5.31)	(28.62)
Notes forming part of the Financial Statements	1 to 30		

As per our report of even date

**For CNK & Associates LLP**

Chartered Accountants

FRN: 101961W/W - 100036

**Pareen Shah**

Partner

Mem No: 125011

Place : Vadodara

Date : 4th August, 2020

**For and on behalf of the Board of Directors**

**Tushar Dayal**

Director

DIN: 01055037

**Kruti Parekh**

Company Secretary (ACS:25792)

Place : Vadodara

Date : 4th August, 2020

**Bimal Mehta**

Director

DIN: 00081171

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

Particulars	For the year ended 31-Mar-20 ₹	For the Year year ended 31-Mar-19 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss Before Tax	(36,570,880)	(190,182,914)
Adjustments for:		
Depreciation and Amortization Expense	39,198,737	42,849,524
Gain/ Loss on sale of Property ,plant and equipments(net)	(7,480,879)	(91,380)
Dividend Income	(7,500)	(7,500)
Rent Income	(11,000)	-
Interest Income	(1,366,895)	(664,364)
Interest expense	73,498,940	57,356,335
Unrealised foreign exchange fluctuation gain	6,152	5,563
	<u>103,837,554</u>	<u>99,448,178</u>
<b>Operating Profit/(Loss) before working capital changes</b>	<b>67,266,675</b>	<b>(90,734,735)</b>
<b>Adjustments for working capital changes:</b>		
Decrease / (Increase) in Inventories	28,414,013	31,419,272
Decrease / (Increase) in Trade Receivables	(16,050,564)	25,854,204
Decrease / (Increase) in loans And advances	395,625	4,010,313
Decrease / (Increase) in Other assets	2,082,122	(7,728,112)
(Decrease) in Trade Payables	(58,511,573)	(136,556,625)
(Decrease) in Provisions	4,804,037	5,468,164
(Decrease) in Other liabilities	(50,570,332)	3,070,953
	<u>(89,436,672)</u>	<u>(74,461,831)</u>
<b>Cash Generated from Operations</b>	<b>(22,169,997)</b>	<b>(165,196,566)</b>
Taxes (paid)	(3,922,822)	737,957
<b>Net cash generated from Operating Activities (A)</b>	<b>(26,092,819)</b>	<b>(164,458,609)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(5,398,374)	(931,000)
Proceeds from sale of Property, plant and equipment	23,851,127	7,478,160
Proceeds from maturity of fixed deposits	(42,074)	9,205,006
Interest received	1,338,466	187,395
Rent Received	11,000	-
Dividend received	7,500	7,500
<b>Net cash generated from / (used in) Investing Activities (B)</b>	<b>19,767,645</b>	<b>15,947,061</b>

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

Particulars	For the year ended 31-Mar-20 ₹	For the Year year ended 31-Mar-19 ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt of Other long term borrowings	56,954,561	307,041,954
(Repayment)/Receipt of Bank Borrowings	(17,498,226)	39,075,991
(Repayment) / Proceeds from short term borrowings	(9,284,871)	(150,449,039)
Interest Paid	(24,748,530)	(45,408,751)
<b>Net cash (used in) Financing activities (C)</b>	<b>5,422,934</b>	<b>150,260,155</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(902,239)</b>	<b>1,748,607</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2,796,107</b>	<b>1,053,062</b>
Unrealised foreign exchange fluctuation gain	(6,152)	(5,563)
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1,887,715</b>	<b>2,796,107</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash on hand	122,315	100,032
Balance with schedule banks		
In Current Account	1,765,400	2,696,075
<b>Cash and Cash Equivalents (As per Note No.18)</b>	<b>1,887,715</b>	<b>2,796,107</b>

**Notes:**

(i) Figures in the brackets represents cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date

**For CNK & Associates LLP**

Chartered Accountants

FRN: 101961W/W - 100036

**Pareen Shah**

Partner

Mem No: 125011

Place : Vadodara

Date : 4th August, 2020

**For and on behalf of the Board of Directors**

**Tushar Dayal**

Director

DIN: 01055037

**Kruti Parekh**

Company Secretary (ACS:25792)

Place : Vadodara

Date : 4th August, 2020

**Bimal Mehta**

Director

DIN: 00081171

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

### Note 1 Corporate Information

TML Industries Limited (CIN : U74120GJ1989PLC012329) is one of the leading manufacturer of Intermediates of Agro chemicals and also carries on Job work for related products. The manufacturing activity is carried out at Piludra and Karakhadi locations. The Company is ISO 9001:2015 and ISO 14001:2015 certified for Quality and Environment Management System from TUV Certification Body of TUV Rheinland Service GmbH.

### Note 2 Significant Accounting Policies :

#### 2.1 Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Property, Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the Property, plant and equipment are ready for use, as intended by management. Borrowing cost relating to acquisition of Property Plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets ready to be put to use.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. In case the cost of part of assets is significant to total cost of assets and useful life of that part is different from the useful life of the remaining assets, the useful life of the significant part has been determined separately.

Depreciation on Property, Plant & Equipment is provided on the Straight Line Method on the basis of useful life as prescribed in the Schedule-II to the Companies Act, 2013

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Long Term Loans and advances" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

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

### **Capital work-in-progress:**

Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses.

### **2.4 Intangible assets:**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortised and charged to the Statement of Profit & Loss as under:

Software - over 5 years

Capital contribution and Technical Know How - over 10 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

### **2.5 Inventories**

Raw Materials, packing materials and fuel are valued at Cost and Net Realizable Value, whichever is lower. Cost is determined on First In First Out Basis. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work in progress are valued at Cost and Net Realizable Value, whichever is lower.

Stores and Spares are valued at Cost and Net Realizable Value, whichever is lower. Cost is determined on First In First Out Basis

### **2.6 Investments**

Non-Current Investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

### **2.7 Foreign Currency Transactions**

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (iii) Any income or expense on account of exchange difference either on settlement or on restatement is recognized in the Statement of Profit and Loss except in cases when they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### **2.8 Revenue Recognition**

#### **Sale of goods**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Goods and Service Tax.

#### **Job Work**

Income by way of Job work is accounted on accrual basis as per the terms of Agreement.



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

### Income from Sale of Wind Operated Power Generators

Income from Sale of Wind Operated Power is accounted on accrual basis on confirmation of units generated and supplied to the State Electricity Board.

### Export Incentives

Export incentive are accounted for export of goods if entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

## 2.9 Other income:

### Interest income

Interest income is accounted on accrual basis.

### Dividend income

Dividend Income is accounted for when the right to receive it is established.

## 2.10 Employee Benefits

Employee benefits include provident fund, superannuation fund, workman compensation policy, gratuity fund, employee state insurance scheme ,compensated absences.

### Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

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

### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

### **2.11 Borrowing Costs**

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **2.12 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### **2.13 Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### **2.14 Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be

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

made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.15 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 2.17 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation 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.

### 2.18 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after extraordinary items and 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 and taxes. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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

### Note 3 - SHARE CAPITAL

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number	₹	Number	₹
<b>Authorized</b>				
Equity Shares of ₹10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
<b>Total</b>	<b>10,000,000</b>	<b>100,000,000</b>	<b>10,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>				
Equity Shares of ₹10/- each fully paid with voting rights	5,250,000	52,500,000	5,250,000	52,500,000
<b>Total</b>	<b>5,250,000</b>	<b>52,500,000</b>	<b>5,250,000</b>	<b>52,500,000</b>

#### a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period;

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number	₹	Number	₹
Shares at the beginning of the year	5,250,000	52,500,000	5,250,000	52,500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,250,000	52,500,000	5,250,000	52,500,000

#### b. Terms & Rights attached to each class of 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 the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of Shareholders holding more than 5% shares in the Company;

Class of shares / Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Excel Industries Limited	888,750	16.93%	888,750	16.93%
Pratipal Investments Private Limited	3,850	0.07%	843,850	16.07%
Agrocel Industries Private Limited	439,000	8.36%	439,000	8.36%
Pratik Dayal	46,460	0.88%	346,460	6.60%
Paritosh Dayal	36,800	0.70%	336,800	6.42%
Tushar Dayal, Karta - Tushar Dayal H.U.F.	234,050	4.46%	355,500	6.77%
Hiral Dayal	243,400	4.64%	262,400	5.00%
Dipkanti Invesments and Financing Private Limited	525,750	10.01%	750	0.01%
Madison Investment Private Limited	656,500	12.50%	131,500	2.50%
Ravi Ashwin Shroff	306,500	5.84%	44,000	0.84%
Hrishit Ashwin Shroff	305,000	5.81%	42,500	0.81%

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

### Note 4 - RESERVES & SURPLUS

Particulars	As at 31-Mar-20	As at 31-Mar-19
	₹	₹
Capital Redemption Reserve (On redemption of preference shares)		
Opening/Closing Balance	50,000,000	50,000,000
Revaluation Reserve		
Opening/Closing Balance	120,106,372	120,106,372
Securities Premium (Created on Issue of equity Shares at a premium)		
Opening/Closing Balance	76,000,000	76,000,000
<b>Sub total</b>	<b>246,106,372</b>	<b>246,106,372</b>
Opening Balance of Statement of Profit and Loss	(402,434,174)	(252,194,033)
(Loss) during the year	(27,879,259)	(150,240,140)
<b>Closing Balance of Statement of Profit and Loss</b>	<b>(430,313,433)</b>	<b>(402,434,174)</b>
<b>Total</b>	<b>(184,207,061)</b>	<b>(156,327,802)</b>

### Note 5 - LONG TERM BORROWINGS

Particulars	As at 31-March-20			As at 31-March-19		
	Total	Non-Current Portion	Current Portion	Total	Non-Current Portion	Current Portion
	₹	₹	₹	₹	₹	₹
<b>(a) Secured Loan</b>						
Term Loan						
From Banks (Refer Note (A) below)	72,015,546	52,328,351	19,687,195	89,513,771	72,106,054	17,407,717
<b>(b) Unsecured Loans:</b>						
Inter Corporate Deposits (Refer Note (B) below)	180,000,000	140,000,000	40,000,000	255,289,199	254,189,591	1,099,608
From Directors (Refer Note (C) below)	114,348,000	114,348,000	-	79,660,634	79,660,634	-
From Promoters (Refer Note (D) below)	223,767,000	223,767,000	-	126,210,606	126,210,606	-
<b>Sub total</b>	<b>590,130,546</b>	<b>530,443,351</b>	<b>59,687,195</b>	<b>550,674,210</b>	<b>532,166,885</b>	<b>18,507,325</b>
Less: Amount disclosed under the head "Other Current Liability" (Note 10)	59,687,195	-	59,687,195	18,507,325	-	18,507,325
<b>Total</b>	<b>530,443,351</b>	<b>530,443,351</b>	<b>-</b>	<b>532,166,885</b>	<b>532,166,885</b>	<b>-</b>

### Note No.(A) Details of security and terms of repayment:

#### (i) Nature of Security

- The Vehicle loans are secured against hypothecation of vehicles financed under the said vehicle loans by the respective banks.
- The term loans other than Vehicle loans are secured by first and exclusive charge by way of an equitable mortgage on commercial offices at Baroda and first and pari passu charge on industrial units at kharkhdi and Piludara. Further the above loans are secured by way of Second pari passu charge on all exiting and future current assets of the borrower.

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

(ii) Term of repayments from banks are as below:

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	Amount	Rate of Interest	Installment (Monthly)	Amount	Rate of Interest	Installment (Monthly)
ICICI Bank Car Loan- TOYOTA ETIOS	-	-	-	58,698	10.25%	15,494 till July 20
Kotak Mahindra Bank Limited (Term Loan-2)	52,328,351	12.50%	22,66,607 upto June 2023	72,047,356	12.50%	6,71,130 UP TO June 2023
<b>Total</b>	<b>52,328,351</b>			<b>72,106,054</b>		

### Note No.(B) Inter- corporate deposits

The rate of Interest on above loans ranges from 11.00% to 13.00% (previous year ranges from 11.00% to 13.00%). As represented by the company, the above loans are repayable after the tenure of one year.

### Note No.(C) Loan from Directors:

The rate of Interest on above loans is 11.00%. As represented by the company, the above loans are repayable after the tenure of one year.

### Note No.(D) Loan from Promoters:

The company has received the amount from promoters of the company and also from relative of promoters in pursuance of the stipulation of bank loan. The rate of Interest on above loans is 11.00%. As represented by the company, the above loans are repayable after the tenure of one year.

### Note 6 - OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-20	As at 31-Mar-19
	₹	₹
<b>Others:</b>		
Deposits	-	13,000,000
Advance against capital asset	-	22,200,000
<b>Total</b>	<b>-</b>	<b>35,200,000</b>

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

### Note 7 - LONG TERM PROVISIONS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Provision for Employee Benefits :</b>		
Gratuity(Refer note 29.1)	18,734,861	16,083,921
Provision for Compensated Absences(Refer note 29.1)	3,867,668	3,257,886
<b>Total</b>	<b>22,602,529</b>	<b>19,341,807</b>

### Note 8 - SHORT TERM BORROWINGS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Loans Repayable on Demand</b>		
<b>From Banks (Secured)</b>		
Cash Credit (Refer Note (A) below)	27,902,943	37,187,814
<b>Total</b>	<b>27,902,943</b>	<b>37,187,814</b>

#### Note No. (A) Details of Security for the Secured Short-Term Borrowings:

##### Working Capital facilities from IDBI Bank Ltd.

Working capital facilities on Cash Credit accounts are secured by first pari pasu charge by way of hypothecation of raw material, Stock in process, finished stock & entire book debts and collaterally secured by way of second pari-passu charge over the fixed assets of the Company situated at Piludra and Karakhadi plants of the company.

### Note - 9 - TRADE PAYABLES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Trade Payables</b>		
Total outstanding dues of Micro and small enterprises (Refer Note No. 29.8)	5,891,752	984,142
Total outstanding dues of Trade payables other than Micro and small enterprises	46,113,453	109,532,635
<b>Total</b>	<b>52,005,204</b>	<b>110,516,777</b>



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

### Note 10 - OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>(a) Current Maturities of Long Term Debts (Refer Note 5)</b>	59,687,195	18,507,325
<b>(b) Other payables</b>		
Payable for Capital expenditure	1,375,902	1,820,803
Advance from Customers	-	488,819
Unclaimed Interest on Fixed Deposits	242,254	242,254
Deposits	12,100,000	4,100,000
Statutory Dues Payables	6,657,686	9,702,681
Salary and Wages payable	6,197,843	20,949,684
Other Payables	11,529,041	16,613,724
Interest on dues of micro and small enterprises (Refer Note 29.8)	817,512	267,521
Interest Accrued and due	62,161,441	13,961,023
<b>Total</b>	<b>160,768,875</b>	<b>86,653,834</b>

### Note 11 - SHORT TERM PROVISIONS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Provision for Employee Benefits</b>		
Gratuity (Refer note 29.1)	2,058,019	976,910
Compensated Absences (Refer note 29.1)	595,870	398,335
Provision for Bonus	2,304,671	2,040,000
<b>Total</b>	<b>4,958,560</b>	<b>3,415,245</b>

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

### Note 12 - PROPERTY, PLANT & EQUIPMENT

Description	Year	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK	
		As at 1-Apr-19	Additions during the year	Disposals	As at 1-Apr-19	Depreciation /amortisation for the year	Eliminated on disposal of assets	As at 31-Mar-20	As at 31-Mar-19
<b>A) Tangible Assets</b>									
Free hold land	Current Year	129,700,000	-	-	-	-	-	129,700,000	129,700,000
	Previous Year	129,700,000	-	-	-	-	-	129,700,000	129,700,000
Buildings	Current Year	184,416,680	-	3,364,199	181,052,481	80,617,985	1,306,947	95,255,678	103,798,695
	Previous Year	184,416,680	-	-	184,416,680	74,185,444	6,432,541	103,798,695	110,231,236
Plant and Equipment	Current Year	746,155,867	1,301,000	67,043,766	680,413,101	456,559,899	29,896,756	246,992,375	289,595,971
	Previous Year	762,170,624	476,000	16,490,755	746,155,869	434,517,578	32,280,806	289,595,971	327,653,046
Furniture and Fixtures	Current Year	10,263,312	156,781	-	10,420,093	10,058,338	98,178	263,577	204,974
	Previous Year	10,263,312	-	-	10,263,312	9,864,743	193,595	204,974	398,569
Vehicles	Current Year	5,040,067	325,000	832,769	4,532,298	3,719,700	327,206	1,013,002	1,320,367
	Previous Year	5,771,454	-	731,387	5,040,067	3,548,071	464,684	1,320,367	2,223,383
Office equipment	Current Year	15,190,563	425,995	-	15,616,558	14,952,573	134,742	529,243	237,990
	Previous Year	15,190,563	-	-	15,190,563	14,755,277	197,296	237,990	435,286
Electrical installations	Current Year	34,481,044	-	-	34,481,044	34,289,635	51,373	140,036	191,410
	Previous Year	34,481,044	-	-	34,481,044	33,226,244	1,063,390	191,410	1,254,800
<b>Sub Total (A)</b>	<b>Current Year</b>	<b>1,125,247,533</b>	<b>2,208,776</b>	<b>71,240,734</b>	<b>1,056,215,575</b>	<b>600,198,130</b>	<b>36,994,020</b>	<b>473,893,911</b>	<b>525,049,407</b>
	Previous Year	1,141,993,677	476,000	17,222,142	1,125,247,535	570,097,357	40,632,312	525,049,407	571,896,320
<b>B) Intangible Assets</b>									
Software	Current Year	2,290,565	-	-	2,290,565	2,290,565	-	-	-
	Previous Year	2,290,565	-	-	2,290,565	2,278,070	12,495	-	12,495
Capital Contribution	Current Year	9,740,340	-	-	9,740,340	6,846,740	613,400	2,280,200	2,893,600
	Previous Year	9,740,340	-	-	9,740,340	6,233,340	613,400	2,893,600	3,507,000
Technical Know How	Current Year	23,327,349	-	-	23,327,349	19,058,531	1,591,317	2,677,501	4,268,818
	Previous Year	23,327,349	-	-	23,327,349	17,467,214	1,591,317	4,268,818	5,860,135
<b>Sub Total (B)</b>	<b>Current Year</b>	<b>35,358,254</b>	-	-	<b>35,358,254</b>	<b>28,195,836</b>	<b>2,204,717</b>	<b>4,957,701</b>	<b>7,162,418</b>
	Previous Year	35,358,254	-	-	35,358,254	25,978,624	2,217,212	7,162,418	9,379,630
<b>Total (A+B)</b>	<b>Current Year</b>	<b>1,160,605,787</b>	<b>2,208,776</b>	<b>71,240,734</b>	<b>1,091,573,829</b>	<b>628,393,966</b>	<b>39,198,737</b>	<b>478,851,612</b>	<b>532,211,825</b>
	Previous Year	1,177,351,931	476,000	17,222,142	1,160,605,789	596,075,981	46,863,316	532,211,825	581,275,950
<b>Capital Work-In-Progress</b>	<b>Current Year</b>	<b>2,275,000</b>	-	<b>455,000</b>	<b>1,820,000</b>	-	-	<b>1,820,000</b>	<b>2,275,000</b>
	Previous Year	1,820,000	455,000	-	2,275,000	-	-	2,275,000	-

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

### Note 13 - NON CURRENT INVESTMENTS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Trade Investment in Subsidiaries (unquoted)</b>		
Oasis Agritech Ltd - 50,000 Equity share of Rs. 10/- each fully paid up	500,000	500,000
Provision for Diminution in Investment	(500,000)	(500,000)
	-	-
<b>Trade Investment in others: (unquoted)</b>		
<b>Other than Trade Investments (unquoted)</b>		
Pragati Sahakari Bank Limited- 5,000 Shares of Rs. 10/- each fully paid up	50,000	50,000
The Alkapuri Arcade Premises Owners Co-op Soc Ltd.-30 Shares of Rs. 50/- each fully paid up	1,500	1,500
Hunnar Shaala Foundation- 1,500 Shares of Rs. 10/- each fully paid up	15,000	15,000
Enviro Infrastructure Co. Limited - 50,000 Shares of Rs.10/- each fully paid up	500,000	500,000
<b>Investment in Government Securities</b>		
National Saving Certificate	6,000	6,000
<b>Total</b>	<b>572,500</b>	<b>572,500</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,072,500</b>	<b>1,072,500</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>500,000</b>	<b>500,000</b>

### Note 14 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Unsecured, considered good</b>		
Capital Advances	3,619,697	420,000
Security Deposits	8,972,735	8,994,851
Advance Income Tax (net of Provisions)	8,609,158	4,686,336
<b>Total</b>	<b>21,201,590</b>	<b>14,101,187</b>

### Note 15 - OTHER NON -CURRENT ASSETS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
Margin Money Deposit under lien to bank for non fund based limits and having maturity of more than 12 months	432,975	408,373

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

### Note 16 - INVENTORIES

Particulars	As at 31-Mar-20	As at 31-Mar-19
	₹	₹
Raw Materials	799,499	3,399,157
Fuel	67,662	887,164
Finished Goods	-	17,539,573
Semi Finished goods	6,252,624	13,761,980
Less: Provision For Obsolesces	661,189	661,189
	<b>5,591,435</b>	<b>13,100,791</b>
Packing Materials	93,924	316,461
Stores and Spares	11,461,687	11,185,074
Less: Provision For Obsolesces	800,000	800,000
	<b>10,661,687</b>	<b>10,385,074</b>
<b>Total</b>	<b>17,214,207</b>	<b>45,628,220</b>

### Note 17 - TRADE RECEIVABLES

Particulars	As at 31-Mar-20	As at 31-Mar-19
	₹	₹
<b>Unsecured</b>		
a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
Considered Good	1,750,862	2,463,365
Considered Doubtful	-	345,395
	<b>1,750,862</b>	<b>2,808,760</b>
Less: Provision for Doubtful debts	-	(345,395)
	<b>1,750,862</b>	<b>2,463,365</b>
b) Other Trade Receivables :		
Considered Good	34,872,874	18,109,808
<b>Total</b>	<b>36,623,736</b>	<b>20,573,173</b>

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

### Note 18 - CASH AND BANK BALANCES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
Balances with Banks		
(i) In Current Accounts	1,765,400	2,696,075
(ii) In Deposit Accounts (amount kept as Liquid Assets with Scheduled Banks)	323,342	305,870
Cash on Hand	122,315	100,032
<b>Total</b>	<b>2,211,057</b>	<b>3,101,977</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements i.e. Cash on hand plus balance in Current Accounts	1,887,715	2,796,107

### Note 19 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Unsecured, considered Good</b>		
Loans and advances to Employees	223,126	33,232
Balance with Government Authorities	175,929	-
Prepaid expenses	4,778,328	4,015,695
Advance to Suppliers and others	2,718,160	4,282,686
Security Deposits	172,560	110,000
<b>Total</b>	<b>8,068,104</b>	<b>8,441,613</b>

### Note 20 - OTHER CURRENT ASSETS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
Accrued Interest Income	1,008,032	979,603
other receivables	6,169,404	8,251,526
<b>Total</b>	<b>7,177,436</b>	<b>9,231,129</b>

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

### Note 21 - REVENUE FROM OPERATIONS

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Sale of Products	32,960,647	29,874,769
<b>Other Operating Revenue</b>		
Job work Income	244,720,383	98,513,979
Sale of Fuel	486,192	-
<b>Total Revenue from Operations</b>	<b>278,167,221</b>	<b>128,388,748</b>

### Note 21 (i) - SALE OF PRODUCT COMPRISES OF:

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
<b>Manufactured Goods:</b>		
Acid Chloride and Others	8,024,577	7,644,800
Agrochemicals and Intermediates	24,936,070	22,229,969
<b>Total - Sale of Products</b>	<b>32,960,647</b>	<b>29,874,769</b>

### Note 22 - OTHER INCOME

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Interest Income (Refer note below)	1,366,895	664,364
Scrap Sales	2,758,268	4,390,290
Dividend Income	7,500	7,500
Other Non Operating Income (Refer note below)	8,388,640	703,834
Rent Income	11,000	-
<b>Total</b>	<b>12,532,303</b>	<b>5,765,988</b>

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
<b>Interest Income comprises:</b>		
Interest from Banks on Deposits	162,748	219,320
Other Interest	1,204,147	445,044
<b>Total - Interest Income</b>	<b>1,366,895</b>	<b>664,364</b>
<b>Other Non-Operating Income comprises:</b>		
Profit on sale of assets (net)	7,480,879	91,380
Miscellaneous balance written back (net)	907,761	612,454
<b>Total - Other non-operating Income</b>	<b>8,388,640</b>	<b>703,834</b>

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

### Note 23 - COST OF RAW MATERIAL CONSUMED

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Opening stock	3,399,157	15,335,206
Add: Purchases	5,924,035	12,019,517
	9,323,192	27,354,723
Less: Closing stock	(799,499)	(3,399,157)
<b>Total</b>	<b>8,523,693</b>	<b>23,955,566</b>

### Note 23(i) - COST OF RAW MATERIAL CONSUMED COMPRISES OF :

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Acetic Acid & Chlorinated Acetic Acids	8,523,693	7,636,527
Chloro Alkalies	-	8,356,413
Industrial Solvents and others	-	7,098,679
Others	-	18,585
<b>Total</b>	<b>8,523,693</b>	<b>23,955,566</b>

### Note 24 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
<b>Inventories at the end of the Year:</b>		
Finished Goods	-	17,539,573
Work In Progress	5,591,435	13,100,791
	<b>5,591,435</b>	<b>30,640,364</b>
<b>Inventories at the Beginning of the Year:</b>		
Finished Goods	17,539,573	5,498,360
Work In Progress	13,100,791	39,990,775
	<b>30,640,364</b>	<b>45,489,135</b>
<b>Net (increase) / decrease</b>	<b>25,048,929</b>	<b>14,848,771</b>



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

### Note 25 - EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Salaries, Wages and Bonus	81,936,429	80,667,403
Contributions to Provident Fund and other Funds	12,305,655	12,631,135
Staff Welfare Expenses	14,999,778	11,458,396
<b>Total</b>	<b>109,241,862</b>	<b>104,756,934</b>

### Note 26 - FINANCE COSTS

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Interest expense on:		
(i) Borrowings	72,209,400	55,756,298
(ii) Others	1,289,540	1,332,515
Other Borrowing Costs	1,163,726	2,096,525
<b>Total</b>	<b>74,662,665</b>	<b>59,185,339</b>

### Note 27 - OTHER EXPENSES

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Power & Fuel	2,351,219	12,823,066
Consumption of Stores & Spares	354,684	7,136,603
Consumption of Packing Materials	338,037	853,071
Payments to Contractors	32,206,682	21,007,792
Water Charges	892,560	419,894
Repairs & Maintenance:		
Building	430,420	783,710
Plant & Machinery	1,961,210	3,722,108
Others	216,549	67,930
Rent, Rates and Taxes	622,534	636,256
Insurance	1,744,926	2,005,317
Legal and Professional Fees	5,433,958	6,231,401
Effluent discharge expenses	3,508,111	5,225,030
Freight Outwards and Forwarding Expenses	1,910,693	249,998
Payments to Auditors (Refer Note below)	450,000	440,000
Security Charges	5,659,842	5,058,177
Wind Mill Maintenance Charges	177,535	1,285,297
Miscellaneous Expenses	12,335,557	10,795,865
<b>Total</b>	<b>70,594,517</b>	<b>78,741,516</b>

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

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Payments to the Auditors Comprises :		
Statutory Audit	450,000	440,000
<b>Total</b>	<b>450,000</b>	<b>440,000</b>

**Note 28 ADDITIONAL INFORMATION**
**Note 28.1 Contingent Liabilities and Capital Commitments**

Particulars	As on 31-Mar-20 ₹	As on 31-Mar-19 ₹
<b>(a) Contingent Liabilities</b>		
(i) Bank Guarantees issued by bank on behalf of Company for which company has issued counter guarantee	504,990	2,504,990
<b>(b) Claims against the company not acknowledge as debts:</b>		
(i) Disputed Income Tax Liability Against Which amount already paid as at March 31, 2020 ₹ Nil (As at March 31,2019 ₹ Nil)	669,060	669,060
(ii) Disputed Excise and Service Tax Liability Against Which amount already paid as at March 31, 2019 ₹ 65,408	-	502,380
(iii) Disputed Sales Tax Liability Against Which amount already paid as at March 31, 2019 ₹ 21,671	-	166,870
<b>Total</b>	<b>1,174,050</b>	<b>3,843,300</b>
<b>(c) Commitments</b>		
(i) Estimated amount of Contracts to be executed on capital account and not provided for advances paid for the same	4,879,697 3,619,697	1,680,000 420,000
(ii) Other Commitments	-	-

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

**Note 28.2** In current year, the Company has not entered into any Forward Contract with its Bankers. Also, there are no open Forward Contracts at the year end. Foreign Currency Exposure not hedged by derivative instruments as on 31st March 2020 and 31st March 2019 is as follows:

Particulars	Currency	As at 31-Mar-20		As at 31-Mar-19	
		Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
Cash Balances	USD	957.00	72,126.22	957.00	66,196.93
	Chinese Yuan	62.00	659.99	62.00	641.45
	GB Pound	25.20	2,365.47	25.20	2,279.99
	Egyptian Pound	17.00	81.39	17.00	68.15
	EURO	19.80	1,645.02	19.80	1,538.51

### NOTE 28.3 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	₹	%	₹	%
Indigenous				
-Raw materials	8,523,693	100%	23,955,566	100%
-Spare parts	354,684	100%	7,136,603	100%
<b>Total</b>	<b>8,878,377</b>	<b>100%</b>	<b>31,092,168</b>	<b>100%</b>

### Note 28.4 EXPENDITURE IN FOREIGN CURRENCY :

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	₹		₹	
Travelling expenses	-		-	
<b>Total</b>	<b>-</b>		<b>-</b>	

### Note 28.5 EARNINGS IN FOREIGN CURRENCY :

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	₹		₹	
FOB Value of Exports	-		-	

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

**Note 29: Disclosures under Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.**

### Note 29.1 Disclosures under Accounting Standard - 15 (Employee Benefits)

Accounting Standard 15 on 'Employee Benefits' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised is Rs 68,39,097 (P.Y. Rs 51,67,880) for Provident Fund contributions and Rs 10,71,017 (P.Y. Rs 8,40,188) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Leave Encashment

The following table sets out the funded status of the gratuity and leave encashment and the amount recognised in the financial statements:

Expense recognized in Statement of Profit & Loss for the period ended 31-03-20 is as under-

Particulars	Gratuity (funded)		Leave-(Un-funded)	
	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹
<b>(i) Defined Benefit Plan</b>				
Current Service Cost	1,639,056	1,147,159	723,403	527,707
Interest Cost on Benefit Obligation	1,575,555	1,182,962	269,263	266,309
Expected (return)/Loss on Plan Assets	(308,644)	(226,065)	-	-
Actuarial (Gain)/Loss	1,450,771	4,633,437	41,230	(181,003)
<b>Total Expense recognized during the year</b>	<b>4,356,738</b>	<b>6,737,493</b>	<b>1,033,896</b>	<b>613,013</b>
<b>(ii) Reconciliation of Opening and Closing Balance of Obligation :-</b>				
Obligation	21,469,072	16,088,694	3,656,222	3,847,054
Current Service Cost	1,639,056	1,147,159	723,403	527,707
Interest Cost	1,575,555	1,182,962	269,263	266,309
Actuarial (Gain)/Loss	1,470,280	4,620,611	41,230	(181,003)
Benefits Paid	(1,476,158)	(1,570,354)	(226,578)	(803,845)
<b>PV of Obligation</b>	<b>24,677,805</b>	<b>21,469,072</b>	<b>4,463,538</b>	<b>3,656,222</b>

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

Particulars	Gratuity (funded)		Leave-(Un-funded)		
	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹	
<b>(iii) Change in Plan Assets</b>					
Fair Value of Plan Assets	4,408,241	4,847,611	-	-	
Expected Return on Plan Assets	308,644	226,065	-	-	
Adjustment in Opening Balance	-	-	-	-	
Actuarial (Gain)/Loss	19,509	(12,826)	-	-	
Contributions	800,961	917,745	226,578	803,845	
Expenses debited by the Insurance Co.	(176,272)	-	-	-	
Benefits Paid	(1,476,158)	(1,570,354)	(226,578)	(803,845)	
Fair Value of Plan Assets	<b>3,884,925</b>	<b>4,408,241</b>	-	-	
<b>(iv) Net Liability recognized in the Balance Sheet :</b>					
PV of Obligation	24,677,805	21,469,072	4,463,538	3,656,222	
Fair Value of Plan Assets	3,884,925	4,408,241	-	-	
Amount Recognized in the Balance Sheet	(20,792,880)	(17,060,831)	(4,463,538)	(3,656,222)	
<b>(v) Principal Actuarial Assumptions</b>					
Discount rate	6.87%	7.60%	6.87%	7.60%	
Rate of Return on Plan Assets	7.75%	5.00%	-	-	
Expected increase in salary cost	2.00%	2.00%	2.00%	2.00%	
<b>(c) Amount Recognised in the current year and previous four years</b>					
<b>Particulars of Gratuity</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Defined Benefit Obligations	24,677,805	21,469,072	16,088,693	17,684,117	22,913,636
Fair Value of Plan Assets	3,884,925	4,408,241	4,847,611	5,084,604	14,446,966
Surplus/(Deficit) in the Plan	(20,792,880)	(17,060,831)	(11,241,082)	(12,599,513)	(8,466,670)
Actuarial (Gain)/Loss on the Plan Assets	19,509	(12,826)	-	-	(78,663)
Actuarial (Gain)/Loss on the Plan Obligations	1,470,280	4,620,611	(3,305,798)	2,389,894	661,939
<b>Particulars of Leave</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Defined Benefit Obligations	4,463,538	3,656,222	3,847,055	4,347,204	4,275,184
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(Deficit) in the Plan	(4,463,538)	(3,656,222)	(3,847,055)	(4,347,204)	(4,275,184)
Actuarial (Gain)/Loss on the Plan Assets	-	-	-	-	-
Actuarial (Gain)/Loss on the Plan Obligations	41,230	(181,003)	(864,515)	591,805	679,726

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

### Notes:

- 1 Discount rate is determined by reference to market yield at the Balance Sheet date on Government Bonds, where the currency and terms of the Govt. Bonds are consistent with the currency and estimated terms for the benefit obligation.
- 2 The estimate of future salary increase take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- 3 100% of Plan Assets are invested in Group Gratuity Scheme offered by Life Insurance Corporation of India.

### Note 29.2 Disclosures under Accounting Standard - 17 (Segment Reporting)

- i. Business Segment: The company operates in a single segment as manufacturer of Intermediates of Agro chemicals and Job work for its related products "Chemicals".
- ii. Secondary Segment: The company mainly caters to domestic clients and therefore there are no reportable geographical segments.

### Note 29.3 Disclosures under Accounting Standard -18 (Related Party Disclosures)

#### (i) Names of related parties and description of relationship with whom transactions have taken place:

Subsidiary Companies	Oasis Agritech Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	Pratipal Investments Private Limited Transpek Industry Limited Agrocel Industries Private Limited Tushar Dayal HUF Excel Industries Limited Excel Bio Resources Limited Kamaljyot Investments Limited Transpek Silox Industry Private Limited Aatapi Seva Foundation Shroffs Engineering Private Limited Anshul Specialty Molecules Private Limited
Key Management Personnel	Tushar Dayal Chandrahas Dayal Ravi Shroff Dipesh Shroff Bimal Mehta Rajagopalan Lakshminarasimha Krutika Dave (Company Secretary upto 30th March, 2019) Kruti Parekh (Company Secretary )(w.e.f 27th September, 2019)
Relatives of key management personnel	Hiral Dayal Paritosh Dayal Pratik Dayal

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

### (ii) Particulars of Transactions with Related Parties

Transactions with related parties for the year ended March 31, 2020 are as follows: (Previous Year's figures are shown in brackets)

(Amount in ₹)				
Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
Sale of Goods	-	2,359,997	-	2,359,997
	-	(746,025)	-	(746,025)
Sale of Asset	-	21,000,000	-	21,000,000
	-	-	-	-
Windmill Income (Reimbursement)	-	15,423,469	-	15,423,469
	-	(12,186,798)	-	(12,186,798)
Windmill Expenses (Reimbursement)	-	2,666,775	-	2,666,775
	-	(1,236,559)	-	(1,236,559)
Job work Income	-	244,720,383	-	244,720,383
	-	(98,513,979)	-	(98,513,979)
Purchase of goods	-	4,210,296	-	4,210,296
	-	(4,503,228)	-	(4,503,228)
Interest	-	16,475,051	17,726,483	34,201,534
	-	(14,250,222)	(6,010,356)	(20,260,578)
Rent Income	-	11,000	-	11,000
	-	-	-	-
Travelling Reimbursement	-	21,600	-	21,600
	-	(18,000)	-	(18,000)
Professional Fees Paid	-	-	3,600,000	3,600,000
	-	-	(3,600,000)	(3,600,000)
Remuneration Paid	-	-	214,667	214,667
	-	-	(1,489,355)	(1,489,355)
Fuel Charges (Reimbursement)	-	108,078,148	-	108,078,148
	-	(47,152,303)	-	(47,152,303)
Deposit Accepted	-	-	50,000,000	50,000,000
	-	(118,250,000)	(112,634,000)	(230,884,000)
Deposit repaid	-	15,000,000	10,000,000	25,000,000
	-	(16,000,000)	(14,169,000)	(30,169,000)
Capital Advance Received	-	-	-	-
	-	(4,200,000)	-	(4,200,000)

\* As the liabilities for leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors is not separately determined and hence are not included in above.



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

(Amount in ₹)

Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
<b>Balance Outstanding at the year end:</b>				
Accounts Payable	-	20,228,863	-	20,228,863
	-	(41,612,723)	-	(41,612,723)
Accounts Receivable including Trade Advance	-	28,088,779	-	28,088,779
	-	(11,515,628)	-	(11,515,628)
Deposits Accepted	-	155,250,000	164,865,000	320,115,000
	-	(170,250,000)	(124,865,000)	(295,115,000)
Interest payable on Deposits	-	25,186,061	21,951,323	47,137,384
	-	(14,084,966)	(7,695,415)	(21,780,381)

**(iv) Significant transactions with related parties:**

Particulars	Year Ended 31st March, 2020 ₹	Year Ended 31st March, 2019 ₹
<b>A) Transactions during the year</b>		
<b>Sale of Goods</b>		
Transpek Industry Limited	-	746,025
Transpek Silox Industry Private Limited	2,359,997	-
<b>Sale of Asset</b>		
Transpek Industry Limited	21,000,000	-
<b>Windmill Income (Reimbursement)</b>		
Transpek Industry Limited	15,423,469	12,186,798
<b>Windmill Expenses (Reimbursement)</b>		
Transpek Industry Limited	2,666,775	1,236,559
<b>Job work Income</b>		
Transpek Industry Limited	244,720,383	98,513,979
<b>Purchase of Goods</b>		
Transpek Industry Limited	4,210,296	4,449,828
Excel Industries Limited	-	53,400
<b>Interest Expenses</b>		
Agrocel Industries Private Limited	7,150,000	6,120,067
Anshul Specialty Molecules Private Limited	7,150,000	4,780,478
Transpek Industry Limited	513,055	310,178

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

Particulars	Year Ended	
	31st March, 2020	31st March, 2019
	₹	₹
Excel Bio Resources Limited	390,803	389,999
Kamaljyot Investments Limited	841,365	839,996
Pratipal Investments Private Limited	-	641,918
Shroffs Engineering Private Limited	72,329	1,100,003
Dipesh Shroff	5,091,340	9,041
Ravi Shroff	5,500,000	1,829,313
Tushar Dayal	1,578,276	1,804,668
Hiral Dayal	4,773,781	2,039,209
Paritosh Dayal	130,237	52,674
Pratik Dayal	652,849	275,451
Tushar Dayal HUF	357,499	67,583
<b>Professional Fees Paid</b>		
Tushar Dayal	3,600,000	3,600,000
<b>Remuneration Paid</b>		
Krutika Dave	-	239,355
Kruti Parekh	214,667	-
Paritosh Dayal	-	1,250,000
<b>Reimbursement of Expenses</b>		
Transpek Industry Limited	108,078,148	47,152,303
<b>Deposit Accepted</b>		
Agrocel Industries Private Limited	-	50,000,000
Anshul Specialty Molecules Private Limited	-	65,000,000
Ravi Shroff	-	35,000,000
Dipesh Shroff	50,000,000	10,000,000
Tushar Dayal	-	17,117,000
Hiral Dayal	-	43,398,000
Paritosh Dayal	-	1,184,000
Pratik Dayal	-	5,935,000
Tushar Dayal HUF	-	3,250,000
<b>Deposit Repaid</b>		
Transpek Industry Limited	5,000,000	6,000,000
Dipesh Shroff	10,000,000	-
Pratipal Investments Private Limited	-	10,000,000
Tushar Dayal	-	14,169,000
Shroffs Engineering Private Limited	10,000,000	-
<b>Rent Income</b>		
Anshul Specialty Molecules Private Limited	8,000	-
Aatapi Seva Foundation	3,000	-
<b>Travelling Reimbursement</b>		
Aatapi Seva Foundation	21,600	18,000

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

Particulars	Year Ended 31st March, 2020 ₹	Year Ended 31st March, 2019 ₹
<b>Capital Advance Received</b>		
Transpek Industry Limited	-	4,200,000
<b>B) Closing Balance as at end of the year :</b>		
<b>Accounts Payable</b>		
Transpek Industry Limited	20,228,863	39,922,836
Excel Industries Limited	-	1,689,887
<b>Accounts Receivables</b>		
Transpek Industry Limited	28,019,976	11,515,628
Transpek Silox Industry Private Limited	40,123	-
Anshul Specialty Molecules Private Limited	4,720	-
Aatapi Seva Foundation	23,960	-
<b>Deposits Payable</b>		
Transpek Industry Limited	12,000,000	17,000,000
Agrocel Industries Private Limited	65,000,000	65,000,000
Anshul Specialty Molecules Private Limited	65,000,000	65,000,000
Shroffs Engineering Private Limited	-	10,000,000
Excel Bio Resources Limited	3,000,000	3,000,000
Kamaljiyot Investments Limited	7,000,000	7,000,000
Dipesh Shroff	50,000,000	10,000,000
Ravi Shroff	50,000,000	50,000,000
Tushar Dayal	14,348,000	14,348,000
Hiral Dayal	43,398,000	43,398,000
Paritosh Dayal	1,184,000	1,184,000
Pratik Dayal	5,935,000	5,935,000
Tushar Dayal HUF	3,250,000	3,250,000
<b>Interest payable on Deposit</b>		
Agrocel Industries Private Limited	12,685,560	7,443,307
Pratipal Investments Private Limited	1,072,726	1,971,864
Anshul Specialty Molecules Private Limited	10,737,430	4,302,430
Kamaljiyot Investments Limited	307,770	306,540
Dipesh Shroff	4,555,081	8,137
Ravi Shroff	7,338,882	3,592,478
Tushar Dayal	2,925,583	1,964,199
Hiral Dayal	6,131,690	1,835,288
Paritosh Dayal	164,619	47,407
Pratik Dayal	835,468	247,906
Tushar Dayal HUF	382,575	60,825

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### Note 29.4 Deferred Tax Liability / Asset

Particulars	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹
<b>Tax effect of items constituting deferred tax liability</b>		
Related to Property, Plant and Equipments	54,354,038	64,650,573
<b>Total deferred tax liabilities</b>	<b>54,354,038</b>	<b>64,650,573</b>
<b>Tax effect of items constituting deferred tax assets</b>		
On Unabsorbed depreciation and business loss as per Income Tax Act, 1961	139,989,341	142,843,304
Disallowances under the Income Tax Act, 1961	7,165,883	5,916,834
<b>Total deferred tax assets</b>	<b>147,155,224</b>	<b>148,760,138</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(92,801,186)</b>	<b>(84,109,565)</b>

The company has recognised deferred tax asset on unabsorbed depreciation and carried forward business losses as per Income tax Act, 1961, to the extent that there is virtual certainty, evidenced by confirmed long term agreement for manufacture of products on "Toll manufacturing basis" and based on that projection made by management that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### Note 29.5 Disclosures under Accounting Standards - 20 (Earnings Per Share)

Particulars	2019-20 ₹	2018-19 ₹
Net Profit available for Equity Shareholders	(27,879,259)	(150,240,140)
Weighted Average No. of Equity Shares (Refer Note 3)	5,250,000	5,250,000
Basic and Diluted Earnings Per Share (₹)		
(Equity Share of Face Value of ₹ 10/- each)	(5.31)	(28.62)

**Note 29.6** The company has secured required regulatory permissions for appropriate modifications in the product mix, apart from and in addition to the existing products being manufactured. The company has started toll manufacture, in both of the manufacturing facilities with long term contracts for value added products. required pace, during the year. These initiatives have since enabled the company to actualise progressively higher capacity utilisation and throughput.

The company's promoters have strengthened the company's finance by infusion of long term funds into the company. In addition to above, promoters will do an infusion of appropriate additional funds into the Company as and when required to meet its on-going liabilities.

These measures has resulted in improvement of Cash flows and shall further help company to stabilize its operations at sustainable levels. Financial statements during the year, are therefore, continued to be presented on a going concern basis with optimum use of assets and settlement of liabilities in the normal course of business.

**Note 29.7** The company does not foresee significant shifts in the long term demand for its products due to COVID - 19 pandemic, both domestic and global markets. The company's Management has carried out a detailed assessment of the impact of COVID -19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets for the next one year including Property, plants and equipment, Trade receivables, Inventories and Investments and is of the opinion that there would not be material impact of COVID -19 on its operations.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### Note 29.9 Details of dues to Micro, Small and Medium Enterprises:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

The disclosures relating to the suppliers as defined in the MSMED Act, 2006 are as under:	For the Year 31-Mar-20	For the Year 31-Mar-19
(a) The principal amount remaining unpaid to suppliers as at the end of accounting year	5,891,752	984,142
(b) The amount of interest due thereon remaining unpaid/unclaimed as at the end of the accounting year	817,512	267,521
(c) The amount of interest paid in terms of Section 16 along with amount of payment made to the suppliers beyond the appointed date during the year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding interest specified under this Act).	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	817,512	267,521

Note 1: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

### Note 30

The previous year figures have been accordingly regrouped / re-classified to confirm to the current year's classification.

### Signature to Notes '1' to '30'

As per our report of even date  
**For CNK & Associates LLP**  
Chartered Accountants  
FRN: 101961W/W - 100036  
**Pareen Shah**  
Partner  
Mem No: 125011  
Place : Vadodara  
Date : 4th August, 2020

**For and on behalf of the Board of Directors**  
**Tushar Dayal**                      **Bimal Mehta**  
Director                                  Director  
DIN: 01055037                      DIN: 00081171  
**Kruti Parekh**  
Company Secretary (ACS:25792)  
Place : Vadodara  
Date : 4th August, 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of TML Industries Limited

### Report on the audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of TML Industries Limited ("the Company"), and its subsidiary (collectively referred to as "the Group") which comprise the consolidated balance sheet as at 31st March 2020, the consolidated statement of Profit and Loss, the consolidated statement of cash flows for the year then ended and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, its consolidated loss and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

1. We draw attention of the members to Note no 29.6 regarding these consolidated financial statements being prepared on going concern basis though the Group has been incurring losses, its net worth has been substantially eroded as on 31st March, 2020 and as on that date, its current liabilities are substantially higher than current assets. The same is on the basis of management representation, that the operations of the group are continuing in view of the agreement with a customer to manufacture products on "Toll manufacturing basis" and the promoters have committed to infuse appropriate additional funds into the company as and when required to meet its on-going liabilities.
2. We draw attention of the members to Note no 29.4 that the group has, on 31st March, 2020, recognised deferred tax asset of Rs. 9,28,01,186 on account of unabsorbed depreciation and business losses as per the Income Tax Act, 1961 on the basis that the agreement with a customer to manufacture products on "Toll manufacturing basis" results in virtual certainty to generate sufficient future taxable income which will be available against which such deferred tax assets can be realised.

Our opinion is not modified in respect of the matters in 1 and 2 above.

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error;

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so;

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated 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;



## INDEPENDENT AUDITOR'S REPORT

- 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 Group has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditor. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion;

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

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

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

### Other Matters

We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets of Rs. 38,462 as at 31st March, 2020, total revenue of Rs. Nil, total profit after tax of Rs. Nil and net cash inflows of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements;

These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of the other auditor;

## INDEPENDENT AUDITOR'S REPORT

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

### Material Uncertainty related to Going concern in case of subsidiary company

We draw attention to note no 29.8 in the consolidated financial statements that the subsidiary company has incurred losses during last so many years and accumulated loss of the subsidiary company as on 31.03.2020 is Rs 93,16,463/-. The management is of view that it is difficult to continue operation of the subsidiary company as going concern. The management of the subsidiary company evaluates various options.

As stated in note no 29.8, these event or conditions, along with other matter as set forth in note no 29.8, indicate that material uncertainty exists that may cast significant doubt on entity's ability to continue as going concern. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid consolidated 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 31st March, 2020 taken on record by the Board of Directors and the report of the statutory auditor of its subsidiary company, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) In our opinion, the Group has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the group 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;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

## INDEPENDENT AUDITOR'S REPORT

- (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:
- i. The Consolidated Financial Statements disclosed the impact of pending litigations on its financial position of the Group – Refer Note 28.1 to the consolidated financial statements;
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There have been no such instances requiring transfer of any amounts to the Investor Education and Protection Fund by the Group.

**For CNK & Associates LLP**

Chartered accountants

Firm Registration No: 101961W/W-100036

**Pareen Shah**

Partner

Membership No: 125011

Vadodara, 4th August, 2020

UDIN: 20125011AAAACF5691

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>A EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	3	52,500,000	52,500,000
(b) Reserves and surplus	4	(184,203,173)	(156,323,914)
		(131,703,173)	(103,823,914)
<b>2 Non-Current Liabilities</b>			
(a) Long- term borrowings	5	530,443,351	532,166,885
(b) Other Long term liabilities	6	-	35,200,000
(c) Long- term provisions	7	22,602,529	19,341,807
		553,045,880	586,708,692
<b>3 Current Liabilities</b>			
(a) Short term borrowings	8	27,902,943	37,187,814
(b) Trade payables	9		
i) Total outstanding dues of Micro and small enterprises		5,891,752	984,142
ii) Total outstanding dues of creditors other than micro and small enterprises		46,132,809	109,551,991
(c) Other current liabilities	10	160,784,093	86,669,052
(d) Short -term provisions	11	4,958,560	3,415,245
		245,670,157	237,808,244
<b>Total</b>		<b>667,012,864</b>	<b>720,693,023</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment	12		
I) Tangible assets		473,893,911	525,049,407
II) Intangible assets		4,957,701	7,162,418
(b) Capital work-in-progress		1,820,000	2,275,000
		480,671,612	534,486,825
(c) Non-current Investments	13	572,500	572,500
(d) Deferred tax assets (net)	29.4	92,801,186	84,109,565
(e) Long- term Loans and Advances	14	21,221,948	14,121,545
(f) Other non-current assets	15	432,975	408,373
<b>2 Current Assets</b>			
(a) Inventories	16	17,214,207	45,628,220
(b) Trade receivables	17	36,623,736	20,573,173
(c) Cash and Cash Equivalents	18	2,226,744	3,117,664
(d) Short- term loans and advances	19	8,070,521	8,444,030
(e) Other current assets	20	7,177,436	9,231,129
		71,312,644	86,994,215
<b>Total</b>		<b>667,012,864</b>	<b>720,693,023</b>
Notes forming part of the Financial Statements	1 to 30		

As per our report of even date

**For CNK & Associates LLP**  
Chartered Accountants  
FRN: 101961W/W - 100036  
**Pareen Shah**

Partner  
Mem No: 125011  
Place : Vadodara  
Date : 4th August, 2020

**For and on behalf of the Board of Directors**

**Tushar Dayal**                      **Bimal Mehta**  
Director                              Director  
DIN: 01055037                      DIN: 00081171

**Kruti Parekh**  
Company Secretary (ACS:25792)  
Place : Vadodara  
Date : 4th August, 2020

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note	For the year ended 31-Mar-20 ₹	For the Year year ended 31-Mar-19 ₹
I. Revenue from Operations	21	278,167,221	128,388,748
II. Other Income	22	12,532,303	5,765,988
III. <b>Total revenue (I + II)</b>		<b>290,699,524</b>	<b>134,154,736</b>
IV. <b>Expenses</b>			
Cost of Raw Material Consumed	23	8,523,693	23,955,566
Changes in Inventories of Finished Goods and Work-in-progress	24	25,048,929	14,848,771
Employee Benefits Expense	25	109,241,862	104,756,934
Finance Costs	26	74,662,665	59,185,339
Depreciation and Amortization Expense	12	39,198,737	42,849,524
Other Expenses	27	70,594,517	78,741,516
<b>Total Expenses</b>		<b>327,270,404</b>	<b>324,337,649</b>
V. <b>Loss Before Tax (III-IV)</b>		<b>(36,570,880)</b>	<b>(190,182,914)</b>
VI. <b>Tax Expenses</b>			
Short/Excess Provision for Tax in earlier years		-	(971,809)
Deferred Tax (Refer note 29.4)		(8,691,621)	(38,970,965)
VII. <b>Loss from Continuing Operations (V-VI)</b>		<b>(27,879,259)</b>	<b>(150,240,140)</b>
VIII. Earnings per Equity Share (of Rs 10/- each):			
Basic and Diluted (Refer note 29.5)		(5.31)	(28.62)
Notes forming part of the Financial Statements	1 to 30		

As per our report of even date

**For CNK & Associates LLP**

Chartered Accountants

FRN: 101961W/W - 100036

**Pareen Shah**

Partner

Mem No: 125011

Place : Vadodara

Date : 4th August, 2020

**For and on behalf of the Board of Directors**

**Tushar Dayal**

Director

DIN: 01055037

**Kruti Parekh**

Company Secretary (ACS:25792)

Place : Vadodara

Date : 4th August, 2020

**Bimal Mehta**

Director

DIN: 00081171

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

Particulars	For the year ended 31-Mar-20 ₹	For the Year year ended 31-Mar-19 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss Before Tax	(36,570,880)	(190,182,914)
Adjustments for:		
Depreciation and Amortization Expense	39,198,737	42,849,524
Gain/ Loss on sale of Property ,plant and equipments(net)	(7,480,879)	(91,380)
Dividend Income	(7,500)	(7,500)
Rent Income	(11,000)	-
Interest Income	(1,366,895)	(664,364)
Interest expense	73,498,940	57,356,335
Unrealised foreign exchange fluctuation gain	6,152	5,563
	<b>103,837,554</b>	<b>99,448,178</b>
<b>Operating Profit/(Loss) before working capital changes</b>	<b>67,266,675</b>	<b>(90,734,735)</b>
<b>Adjustments for working capital changes:</b>		
Decrease / (Increase) in Inventories	28,414,013	31,419,272
Decrease / (Increase) in Trade Receivables	(16,050,564)	25,854,204
Decrease / (Increase) in loans And advances	395,625	4,010,313
Decrease / (Increase) in Other assets	2,082,122	(7,728,112)
(Decrease) in Trade Payables	(58,511,573)	(136,556,625)
(Decrease) in Provisions	4,804,037	5,468,164
(Decrease) in Other liabilities	(50,570,332)	3,070,953
	(89,436,672)	(74,461,831)
<b>Cash Generated from Operations</b>	<b>(22,169,997)</b>	<b>(165,196,566)</b>
Taxes (paid)	(3,922,822)	737,957
<b>Net cash generated from Operating Activities (A)</b>	<b>(26,092,819)</b>	<b>(164,458,609)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(5,398,374)	(931,000)
Proceeds from sale of Property, plant and equipment	23,851,127	7,478,160
Proceeds from maturity of fixed deposits	(42,074)	9,205,006
Interest received	1,338,466	187,395
Rent Received	11,000	-

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

Particulars	For the year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹
Dividend received	7,500	7,500
<b>Net cash generated from / (used in) Investing Activities (B)</b>	<b>19,767,645</b>	<b>15,947,061</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt of Other long term borrowings	56,954,561	307,041,954
(Repayment)/Receipt of Bank Borrowings	(17,498,226)	39,075,991
(Repayment) / Proceeds from short term borrowings	(9,284,871)	(150,449,039)
Interest Paid	(24,748,530)	(45,408,751)
<b>Net cash (used in) Financing activities (C)</b>	<b>5,422,934</b>	<b>150,260,155</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(902,239)</b>	<b>1,748,607</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2,811,794</b>	<b>1,068,749</b>
Unrealised foreign exchange fluctuation gain	(6,152)	(5,563)
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1,903,402</b>	<b>2,811,794</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash on hand	122,315	100,032
Balance with schedule banks		
In Current Account	1,781,087	2,711,762
<b>Cash and Cash Equivalents (As per Note No.18)</b>	<b>1,903,402</b>	<b>2,811,794</b>

### Notes:

(i) Figures in the brackets represents cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date

**For CNK & Associates LLP**

Chartered Accountants

FRN: 101961W/W - 100036

**Pareen Shah**

Partner

Mem No: 125011

Place : Vadodara

Date : 4th August, 2020

**For and on behalf of the Board of Directors**

**Tushar Dayal**

Director

DIN: 01055037

**Kruti Parekh**

Company Secretary (ACS:25792)

Place : Vadodara

Date : 4th August, 2020

**Bimal Mehta**

Director

DIN: 00081171



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

### Note 1 Corporate Information

TML Industries Limited (CIN : U74120GJ1989PLC012329) is one of the leading manufacturer of Intermediates of Agro chemicals and also carries on Job work for related products . The manufacturing activity is carried out at Piludra and Karakhadi locations. The Company is ISO 9001:2015 and ISO 14001:2015 certified for Quality and Environment Management System from TUV Certification Body of TUV Rheinland Service GmbH.

### Note 2 Significant Accounting Policies :

#### 2.1 Basis of Preparation of Financial Statements:

The financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Following subsidiary company have been considered in the preparation of the consolidated financial statements:

**Name of entity** : Oasis Agritech Limited

**Relationship** : Subsidiary Company

**Country of Incorporation** : India

% of Holding and voting power either directly or indirectly through subsidiary : 100%

#### Principles of consolidation

The consolidated financial statements relate to TML Industries Limited (the 'Company') & its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2020.
- (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- (iii) The excess of cost to the Group of its investments in the subsidiary company at the dates on which the investments in the subsidiary company were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively On the other hand, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances in the same manner as the Company's separate financial statements.

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

### Note: Capital Reserve on Consolidation

Particulars	(Amount in ₹)
Amount of Equity and Reserve	5,00,000
Amount of Investment	Nil
<b>Capital Reserve</b>	<b>5,00,000</b>

### 2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 2.3 Property, Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the Property, plant and equipment are ready for use, as intended by management. Borrowing cost relating to acquisition of Property Plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets ready to be put to use.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. In case the cost of part of assets is significant to total cost of assets and useful life of that part is different from the useful life of the remaining assets, the useful life of the significant part has been determined separately.

Depreciation on Property, Plant & Equipment is provided on the Straight Line Method on the basis of useful life as prescribed in the Schedule-II to the Companies Act, 2013

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Long Term Loans and advances" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

#### Capital work-in-progress:

Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses.

### 2.4 Intangible assets:

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an

## **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortised and charged to the Statement of Profit & Loss as under:

Software	- over 5 years
Capital contribution and Technical Know How	- over 10 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

### **2.5 Inventories**

Raw Materials, packing materials and fuel are valued at Cost and Net Realizable Value, whichever is lower. Cost is determined on First In First Out Basis. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work in progress are valued at Cost and Net Realizable Value, whichever is lower.

Stores and Spares are valued at Cost and Net Realizable Value, whichever is lower. Cost is determined on First In First Out Basis

### **2.6 Investments**

Non-Current Investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

### **2.7 Foreign Currency Transactions**

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (iii) Any income or expense on account of exchange difference either on settlement or on restatement is recognized in the Statement of Profit and Loss except in cases when they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### **2.8 Revenue Recognition**

#### **Sale of goods**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Goods and Service Tax.

#### **Job Work**

Income by way of Job work is accounted on accrual basis as per the terms of Agreement.

#### **Income from Sale of Wind Operated Power Generators**

Income from Sale of Wind Operated Power is accounted on accrual basis on confirmation of units generated and supplied to the State Electricity Board.

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

### Export Incentives

Export incentive are accounted for export of goods if entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

### 2.9 Other income:

#### Interest income

Interest income is accounted on accrual basis.

#### Dividend income

Dividend Income is accounted for when the right to receive it is established.

### 2.10 Employee Benefits

Employee benefits include provident fund, superannuation fund, workman compensation policy, gratuity fund, employee state insurance scheme ,compensated absences.

#### Defined contribution plans

The contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and(b) in case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

## **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

### **2.11 Borrowing Costs**

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **2.12 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### **2.13 Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### **2.14 Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

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

### 2.15 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 2.17 Operating Cycle

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

### 2.18 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after extraordinary items and 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 and taxes. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.



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

### Note 3 - SHARE CAPITAL

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number	₹	Number	₹
Authorized				
Equity Shares of ₹ 10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
<b>Total</b>	<b>10,000,000</b>	<b>100,000,000</b>	<b>10,000,000</b>	<b>100,000,000</b>
Issued, Subscribed and Fully Paid Up Shares				
Equity Shares of ₹ 10/- each fully paid with voting rights	5,250,000	52,500,000	5,250,000	52,500,000
<b>Total</b>	<b>5,250,000</b>	<b>52,500,000</b>	<b>5,250,000</b>	<b>52,500,000</b>

#### a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number	₹	Number	₹
Shares at the beginning of the year	5,250,000	52,500,000	5,250,000	52,500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,250,000	52,500,000	5,250,000	52,500,000

#### b. Terms & Rights attached to each class of 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 the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of Shareholders holding more than 5% shares in the Company:

Class of shares / Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Excel Industries Limited	888,750	16.93%	888,750	16.93%
Pratipal Investments Private Limited	3,850	0.07%	843,850	16.07%
Agrocel Industries Private Limited	439,000	8.36%	439,000	8.36%
Pratik Dayal	46,460	0.88%	346,460	6.60%
Paritosh Dayal	36,800	0.70%	336,800	6.42%
Tushar Dayal, Karta - Tushar Dayal H.U.F.	234,050	4.46%	355,500	6.77%
Hiral Dayal	243,400	4.64%	262,400	5.00%
Dipkanti Investments and Financing Private Limited	525,750	10.01%	750	0.01%
Madison Investment Private Limited	656,500	12.50%	131,500	2.50%
Ravi Ashwin Shroff	306,500	5.84%	44,000	0.84%
Hrishit Ashwin Shroff	305,000	5.81%	42,500	0.81%



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

### Note 4 - RESERVES & SURPLUS

Particulars	As at 31-Mar-20	As at 31-Mar-19
	₹	₹
Capital Redemption Reserve (On redemption of preference shares)		
Opening/Closing Balance	50,000,000	50,000,000
Capital Reserve	500,000	500,000
Revaluation Reserve		
Opening/Closing Balance	120,106,372	120,106,372
Securities Premium (Created on Issue of equity Shares at a premium)		
Opening/Closing Balance	76,000,000	76,000,000
<b>Sub total</b>	<b>246,606,372</b>	<b>246,606,372</b>
<b>Opening Balance of Statement of Profit and Loss</b>	<b>(402,930,286)</b>	<b>(252,690,145)</b>
(Loss) during the year	(27,879,259)	(150,240,140)
<b>Closing Balance of Statement of Profit and Loss</b>	<b>(430,809,545)</b>	<b>(402,930,286)</b>
<b>Total</b>	<b>(184,203,173)</b>	<b>(156,323,914)</b>

### Note 5 - LONG TERM BORROWINGS

Particulars	As at 31-March-20			As at 31-March-19		
	Total	Non-Current Portion	Current Portion	Total	Non-Current Portion	Current Portion
	₹	₹	₹	₹	₹	₹
<b>(a) Secured Loan</b>						
Term Loan						
From Banks (Refer Note (A) below)	72,015,546	52,328,351	19,687,195	89,513,771	72,106,054	17,407,717
<b>(b) Unsecured Loans:</b>						
Inter Corporate Deposits (Refer Note (B) below)	180,000,000	140,000,000	40,000,000	255,289,199	254,189,591	1,099,608
From Directors (Refer Note (C) below)	114,348,000	114,348,000	-	79,660,634	79,660,634	-
From Promoters (Refer Note (D) below)	223,767,000	223,767,000	-	126,210,606	126,210,606	-
<b>Sub total</b>	<b>590,130,546</b>	<b>530,443,351</b>	<b>59,687,195</b>	<b>550,674,210</b>	<b>532,166,885</b>	<b>18,507,325</b>
Less: Amount disclosed Under the head "Other Current Liability" (Note 10)	59,687,195	-	59,687,195	18,507,325	-	18,507,325
<b>Total</b>	<b>530,443,351</b>	<b>530,443,351</b>	<b>-</b>	<b>532,166,885</b>	<b>532,166,885</b>	<b>-</b>

### Note No.(A) Details of security and terms of repayment:

#### (i) Nature of Security

- The Vehicle loans are secured against hypothecation of vehicles financed under the said vehicle loans by the respective banks.
- The term loans other than Vehicle loans are secured by first and exclusive charge by way of an equitable mortgage on commercial offices at Baroda and first and pari passu charge on industrial units at kharkhdi and Piludara. Further the above loans are secured by way of Second pari passu charge on all existing and future current assets of the borrower.

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

(ii) Term of repayments from banks are as below:

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	Amount	Rate of Interest	Installment (Monthly)	Amount	Rate of Interest	Installment (Monthly)
ICICI Bank Car Loan- TOYOTA ETIOS	-	-	-	58,698	10.25%	15,494 till July 20
Kotak Mahindra Bank Limited (Term Loan-2)	52,328,351	12.50%	22,66,607 upto June 2023	72,047,356	12.50%	6,71,130 UP TO June 2023
<b>Total</b>	<b>52,328,351</b>			<b>72,106,054</b>		

### Note No.(B) Inter- corporate deposits

The rate of Interest on above loans ranges from 11.00% to 13.00% (previous year ranges from 11.00% to 13.00%). As represented by the company, the above loans are repayable after the tenure of one year.

### Note No.(C) Loan from Directors:

The rate of Interest on above loans is 11.00%. As represented by the company, the above loans are repayable after the tenure of one year.

### Note No.(D) Loan from Promoters:

The company has received the amount from promoters of the company and also from relative of promoters in pursuance of the stipulation of bank loan. The rate of Interest on above loans is 11.00%. As represented by the company, the above loans are repayable after the tenure of one year.

### Note 6 - OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-20	As at 31-Mar-19
	₹	₹
<b>Others:</b>		
Deposits	-	13,000,000
Advance against capital asset	-	22,200,000
<b>Total</b>	<b>-</b>	<b>35,200,000</b>

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

### Note 7 - LONG TERM PROVISIONS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Provision for Employee Benefits :</b>		
Gratuity(Refer note 29.1)	18,734,861	16,083,921
Provision for Compensated Absences(Refer note 29.1)	3,867,668	3,257,886
<b>Total</b>	<b>22,602,529</b>	<b>19,341,807</b>

### Note 8 - SHORT TERM BORROWINGS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Loans Repayable on Demand</b>		
<b>From Banks (Secured)</b>		
Cash Credit (Refer Note (A) below)	27,902,943	37,187,814
<b>Total</b>	<b>27,902,943</b>	<b>37,187,814</b>

#### Note No. (A) Details of Security for the Secured Short-Term Borrowings:

##### Working Capital facilities from IDBI Bank Ltd.

Working capital facilities on Cash Credit accounts are secured by first pari pasu charge by way of hypothecation of raw material, Stock in process, finished stock & entire book debts and collaterally secured by way of second pari-passu charge over the fixed assets of the Company situated at Piludra and Karakhadi plants of the company.

### Note 9 - TRADE PAYABLES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Trade Payables</b>		
Total outstanding dues of Micro and small enterprises (Refer Note No. 29.9)	5,891,752	984,142
Total outstanding dues of Trade payables other than Micro and small enterprises	46,132,809	109,551,991
<b>Total</b>	<b>52,024,560</b>	<b>110,536,133</b>

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

### Note 10 - OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
(a) Current Maturities of Long Term Debts (Refer Note 5)	59,687,195	18,507,325
(b) Other payables		
Payable for Capital expenditure	1,375,902	1,820,803
Advance from Customers	-	488,819
Unclaimed Interest on Fixed Deposits	242,254	242,254
Deposits	12,100,000	4,100,000
Statutory Dues Payables	6,657,686	9,702,681
Salary and Wages payable	6,197,843	20,949,684
Other Payables	11,544,259	16,628,942
Interest on dues of micro and small enterprises (Refer Note 29.9)	817,512	267,521
Interest Accrued and due	62,161,441	13,961,023
<b>Total</b>	<b>160,784,093</b>	<b>86,669,052</b>

### Note 11 - SHORT TERM PROVISIONS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Provision for Employee Benefits</b>		
Gratuity (Refer note 29.1)	2,058,019	976,910
Compensated Absences (Refer note 29.1)	595,870	398,335
Provision for Bonus	2,304,671	2,040,000
<b>Total</b>	<b>4,958,560</b>	<b>3,415,245</b>

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

### Note 12 - PROPERTY, PLANT & EQUIPMENT

Description	Year	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK	
		As at 1-Apr-19	Additions during the year	Disposals	As at 1-Apr-19	Depreciation /amortisation for the year	Eliminated on disposal of assets	As at 31-Mar-20	As at 31-Mar-19
<b>A) Tangible Assets</b>									
Free hold land	Current Year	129,700,000	-	-	-	-	-	129,700,000	129,700,000
	Previous Year	129,700,000	-	-	-	-	-	129,700,000	129,700,000
Buildings	Current Year	184,416,680	-	3,364,199	181,052,481	80,617,985	1,306,947	95,255,678	103,798,695
	Previous Year	184,416,680	-	-	184,416,680	74,185,444	6,432,541	103,798,695	110,231,236
Plant and Equipment	Current Year	746,155,867	1,301,000	67,043,766	680,413,101	456,559,899	29,896,756	246,992,375	289,595,971
	Previous Year	762,170,624	476,000	16,490,755	746,155,869	434,517,578	32,280,806	289,595,971	327,653,046
Furniture and Fixtures	Current Year	10,270,441	156,781	-	10,427,222	10,065,467	98,178	263,577	204,974
	Previous Year	10,270,441	-	-	10,263,312	9,871,872	193,595	204,974	398,569
Vehicles	Current Year	5,040,067	325,000	832,769	4,532,298	3,719,700	327,206	1,013,002	1,320,367
	Previous Year	5,771,454	-	731,387	5,040,067	3,548,071	464,684	1,320,367	2,223,383
Office equipment	Current Year	15,198,210	425,995	-	15,624,205	14,960,220	134,742	529,243	237,990
	Previous Year	15,198,210	-	-	15,198,210	14,762,924	197,296	237,990	435,286
Electrical installations	Current Year	34,481,044	-	-	34,481,044	34,289,635	51,373	140,036	191,410
	Previous Year	34,481,044	-	-	34,481,044	33,226,244	1,063,390	191,410	1,254,800
<b>Sub Total (A)</b>	<b>Current Year</b>	<b>1,125,262,309</b>	<b>2,208,776</b>	<b>71,240,734</b>	<b>1,056,230,351</b>	<b>600,212,906</b>	<b>36,994,020</b>	<b>473,893,911</b>	<b>525,049,407</b>
	Previous Year	1,142,008,453	476,000	17,222,142	1,125,255,182	570,112,133	40,632,312	525,049,407	571,896,320
<b>B) Intangible Assets</b>									
Software	Current Year	2,290,565	-	-	2,290,565	2,290,565	-	-	-
	Previous Year	2,290,565	-	-	2,290,565	2,278,070	12,495	-	12,495
Capital Contribution	Current Year	9,740,340	-	-	9,740,340	6,846,740	613,400	2,280,200	2,893,600
	Previous Year	9,740,340	-	-	9,740,340	6,233,340	613,400	2,893,600	3,507,000
Technical Know How	Current Year	23,327,349	-	-	23,327,349	19,058,531	1,591,317	2,677,501	4,268,818
	Previous Year	23,327,349	-	-	23,327,349	17,467,214	1,591,317	4,268,818	5,860,135
<b>Sub Total (B)</b>	<b>Current Year</b>	<b>35,358,254</b>	-	-	<b>35,358,254</b>	<b>28,195,836</b>	<b>2,204,717</b>	<b>4,957,701</b>	<b>7,162,418</b>
	Previous Year	35,358,254	-	-	35,358,254	25,978,624	2,217,212	7,162,418	9,379,630
<b>Total (A+B)</b>	<b>Current Year</b>	<b>1,160,620,563</b>	<b>2,208,776</b>	<b>71,240,734</b>	<b>1,091,588,605</b>	<b>628,408,742</b>	<b>39,198,737</b>	<b>478,851,612</b>	<b>532,211,825</b>
	Previous Year	1,177,366,707	476,000	17,222,142	1,160,613,436	596,090,757	46,863,316	532,211,825	581,275,950
<b>Capital Work-In-Progress</b>	Current Year	2,275,000	-	455,000	1,820,000	-	-	1,820,000	2,275,000
	Previous Year	1,820,000	455,000	-	2,275,000	-	-	2,275,000	-

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

### Note 13 - NON CURRENT INVESTMENTS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Trade Investment in others: (unquoted)</b>		
<b>Other than Trade Investments (unquoted)</b>		
Pragati Sahakari Bank Limited- 5,000 Shares of Rs. 10/- each fully paid up	50,000	50,000
The Alkapuri Arcade Premises Owners Co-op Soc Ltd.-30 Shares of Rs. 50/- each fully paid up	1,500	1,500
Hunnar Shaala Foundation- 1,500 Shares of Rs. 10/- each fully paid up	15,000	15,000
Enviro Infrastructure Co. Limited - 50,000 Shares of Rs.10/- each fully paid up	500,000	500,000
<b>Investment in Government Securities</b>		
National Saving Certificate	6,000	6,000
<b>Total</b>	<b>572,500</b>	<b>572,500</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,072,500</b>	<b>1,072,500</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>500,000</b>	<b>500,000</b>

### Note 14 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Unsecured, considered good</b>		
Capital Advances	3,619,697	420,000
Security Deposits	8,982,735	9,004,851
Advance Income Tax (net of Provisions)	8,619,516	4,696,694
<b>Total</b>	<b>21,221,948</b>	<b>14,121,545</b>

### Note 15 - OTHER NON -CURRENT ASSETS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
Margin Money Deposit under lien to bank for non fund based limits and having maturity of more than 12 months	432,975	408,373

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

### Note 16 - INVENTORIES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
Raw Materials	799,499	3,399,157
Fuel	67,662	887,164
Finished Goods	-	17,539,573
Semi Finished goods	6,252,624	13,761,980
Less: Provision For Obsolesces	661,189	661,189
	<b>5,591,435</b>	<b>13,100,791</b>
Packing Materials	93,924	316,461
Stores and Spares	11,461,687	11,185,074
Less: Provision For Obsolesces	800,000	800,000
	<b>10,661,687</b>	<b>10,385,074</b>
<b>Total</b>	<b>17,214,207</b>	<b>45,628,220</b>

### Note 17 - TRADE RECEIVABLES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Unsecured</b>		
a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
Considered Good	1,750,862	2,463,365
Considered Doubtful	-	345,395
	<b>1,750,862</b>	<b>2,808,760</b>
Less: Provision for Doubtful debts	-	(345,395)
	<b>1,750,862</b>	<b>2,463,365</b>
b) Other Trade Receivables :		
Considered Good	34,872,874	18,109,808
<b>Total</b>	<b>36,623,736</b>	<b>20,573,173</b>



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

### Note 18 - CASH AND BANK BALANCES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
Balances with Banks		
(i) In Current Accounts	1,781,087	2,711,762
(ii) In Deposit Accounts (amount kept as Liquid Assets with Scheduled Banks)	323,342	305,870
Cash on Hand	122,315	100,032
<b>Total</b>	<b>2,226,744</b>	<b>3,117,664</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements i.e. Cash on hand plus balance in Current Accounts	1,903,402	2,811,794

### Note 19 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>Unsecured, considered Good</b>		
Loans and advances to Employees	223,126	33,232
Balance with Government Authorities	178,346	2,417
Prepaid expenses	4,778,328	4,015,695
Advance to Suppliers and others	2,718,160	4,282,686
Security Deposits	172,560	110,000
<b>Total</b>	<b>8,070,521</b>	<b>8,444,030</b>

### Note 20 - OTHER CURRENT ASSETS

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
Accrued Interest Income	1,008,032	979,603
other receivables	6,169,404	8,251,526
<b>Total</b>	<b>7,177,436</b>	<b>9,231,129</b>

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

### Note 21 - REVENUE FROM OPERATIONS

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Sale of Products	32,960,647	29,874,769
<b>Other Operating Revenue</b>		
Job work Income	244,720,383	98,513,979
Sale of Fuel	486,192	-
<b>Total Revenue from Operations</b>	<b>278,167,221</b>	<b>128,388,748</b>

### Note 21 (i) - SALE OF PRODUCT COMPRISES OF:

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
<b>Manufactured Goods:</b>		
Acid Chloride and Others	8,024,577	7,644,800
Agrochemicals and Intermediates	24,936,070	22,229,969
<b>Total - Sale of Products</b>	<b>32,960,647</b>	<b>29,874,769</b>

### Note 22 - OTHER INCOME

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Interest Income (Refer note below)	1,366,895	664,364
Scrap Sales	2,758,268	4,390,290
Dividend Income	7,500	7,500
Other Non Operating Income (Refer note below)	8,388,640	703,834
Rent Income	11,000	-
<b>Total</b>	<b>12,532,303</b>	<b>5,765,988</b>

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
<b>Interest Income comprises:</b>		
Interest from Banks on Deposits	162,748	219,320
Other Interest	1,204,147	445,044
<b>Total - Interest Income</b>	<b>1,366,895</b>	<b>664,364</b>
<b>Other Non-Operating Income comprises:</b>		
Profit on sale of assets (net)	7,480,879	91,380
Miscellaneous balance written back (net)	907,761	612,454
<b>Total - Other non-operating Income</b>	<b>8,388,640</b>	<b>703,834</b>

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

### Note 23 - COST OF RAW MATERIAL CONSUMED

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Opening stock	3,399,157	15,335,206
Add: Purchases	5,924,035	12,019,517
	9,323,192	27,354,723
Less: Closing stock	(799,499)	(3,399,157)
<b>Total</b>	<b>8,523,693</b>	<b>23,955,566</b>

### Note 23(i) - COST OF RAW MATERIAL CONSUMED COMPRISES OF :

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Acetic Acid & Chlorinated Acetic Acids	8,523,693	7,636,527
Chloro Alkalies	-	8,356,413
Industrial Solvents and others	-	7,098,679
Others	-	18,585
<b>Total</b>	<b>8,523,693</b>	<b>23,955,566</b>

### Note 24 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
<b>Inventories at the end of the Year:</b>		
Finished Goods	-	17,539,573
Work In Progress	5,591,435	13,100,791
	<b>5,591,435</b>	<b>30,640,364</b>
<b>Inventories at the Beginning of the Year:</b>		
Finished Goods	17,539,573	5,498,360
Work In Progress	13,100,791	39,990,775
	<b>30,640,364</b>	<b>45,489,135</b>
<b>Net (increase) / decrease</b>	<b>25,048,929</b>	<b>14,848,771</b>

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

### Note 25 - EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Salaries, Wages and Bonus	81,936,429	80,667,403
Contributions to Provident Fund and other Funds	12,305,655	12,631,135
Staff Welfare Expenses	14,999,778	11,458,396
<b>Total</b>	<b>109,241,862</b>	<b>104,756,934</b>

### Note 26 - FINANCE COSTS

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Interest expense on:		
(i) Borrowings	72,209,400	55,756,298
(ii) Others	1,289,540	1,332,515
Other Borrowing Costs	1,163,726	2,096,525
<b>Total</b>	<b>74,662,665</b>	<b>59,185,339</b>

### Note 27 - OTHER EXPENSES

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Power & Fuel	2,351,219	12,823,066
Consumption of Stores & Spares	354,684	7,136,603
Consumption of Packing Materials	338,037	853,071
Payments to Contractors	32,206,682	21,007,792
Water Charges	892,560	419,894
Repairs & Maintenance:		
Building	430,420	783,710
Plant & Machinery	1,961,210	3,722,108
Others	216,549	67,930
Rent, Rates and Taxes	622,534	636,256
Insurance	1,744,926	2,005,317
Legal and Professional Fees	5,433,958	6,231,401
Effluent discharge expenses	3,508,111	5,225,030
Freight Outwards and Forwarding Expenses	1,910,693	249,998
Payments to Auditors (Refer Note below)	450,000	440,000
Security Charges	5,659,842	5,058,177
Wind Mill Maintenance Charges	177,535	1,285,297
Miscellaneous Expenses	12,335,557	10,795,865
<b>Total</b>	<b>70,594,517</b>	<b>78,741,516</b>

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

Particulars	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Payments to the Auditors Comprises :		
Statutory Audit	450,000	440,000
<b>Total</b>	<b>450,000</b>	<b>440,000</b>

### Note 28 ADDITIONAL INFORMATION

#### Note 28.1 Contingent Liabilities and Capital Commitments

Particulars	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
<b>(a) Contingent Liabilities</b>		
(i) Bank Guarantees issued by bank on behalf of Company for which company has issued counter guarantee	504,990	2,504,990
<b>(b) Claims against the company not acknowledge as debts:</b>		
(i) Disputed Income Tax Liability Against Which amount already paid as at March 31, 2020 ₹ Nil (As at March 31,2019 ₹ Nil)	669,060	669,060
(ii) Disputed Excise and Service Tax Liability Against Which amount already paid as at March 31, 2019 ₹ 65,408	-	502,380
(iii) Disputed Sales Tax Liability Against Which amount already paid as at March 31, 2019 ₹ 21,671	-	166,870
<b>Total</b>	<b>1,174,050</b>	<b>3,843,300</b>
<b>(c) Commitments</b>		
(i) Estimated amount of Contracts to be executed on capital account and not provided for advances paid for the same	4,879,697 3,619,697	1,680,000 420,000
(ii) Other Commitments	-	-

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

**Note 28.2** In current year, the Company has not entered into any Forward Contract with its Bankers. Also, there are no open Forward Contracts at the year end. Foreign Currency Exposure not hedged by derivative instruments as on 31st March 2020 and 31st March 2019 is as follows:

Particulars	Currency	As at 31-Mar-20		As at 31-Mar-19	
		Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
Cash Balances	USD	957.00	72,126.22	957.00	66,196.93
	Chinese Yuan	62.00	659.99	62.00	641.45
	GB Pound	25.20	2,365.47	25.20	2,279.99
	Egyptian Pound	17.00	81.39	17.00	68.15
	EURO	19.80	1,645.02	19.80	1,538.51

### NOTE 28.3 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	₹	%	₹	%
Indigenous				
-Raw materials	8,523,693	100%	23,955,566	100%
-Spare parts	354,684	100%	7,136,603	100%
<b>Total</b>	<b>8,878,377</b>	<b>100%</b>	<b>31,092,168</b>	<b>100%</b>

### Note 28.4 EXPENDITURE IN FOREIGN CURRENCY :

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	₹		₹	
Travelling expenses	-		-	
<b>Total</b>	<b>-</b>		<b>-</b>	

### Note 28.5 EARNINGS IN FOREIGN CURRENCY :

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	₹		₹	
FOB Value of Exports	-		-	

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

Note 29: Disclosures under Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

### Note 29.1 Disclosures under Accounting Standard - 15 (Employee Benefits)

Accounting Standard 15 on 'Employee Benefits' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised is Rs 68,39,097 (P.Y. Rs 51,67,880) for Provident Fund contributions and Rs 10,71,017 (P.Y. Rs 8,40,188) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Leave Encashment

The following table sets out the funded status of the gratuity and leave encashment and the amount recognised in the financial statements:

Expense recognized in Statement of Profit & Loss for the period ended 31-03-20 is as under-

Particulars	Gratuity (funded)		Leave-(Un-funded)	
	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹
<b>(i) Defined Benefit Plan</b>				
Current Service Cost	1,639,056	1,147,159	723,403	527,707
Interest Cost on Benefit Obligation	1,575,555	1,182,962	269,263	266,309
Expected (return)/Loss on Plan Assets	(308,644)	(226,065)	-	-
Actuarial (Gain)/Loss	1,450,771	4,633,437	41,230	(181,003)
<b>Total Expense recognized during the year</b>	<b>4,356,738</b>	<b>6,737,493</b>	<b>1,033,896</b>	<b>613,013</b>
<b>(ii) Reconciliation of Opening and Closing Balance of Obligation :-</b>				
Obligation	21,469,072	16,088,694	3,656,222	3,847,054
Current Service Cost	1,639,056	1,147,159	723,403	527,707
Interest Cost	1,575,555	1,182,962	269,263	266,309
Actuarial (Gain)/Loss	1,470,280	4,620,611	41,230	(181,003)
Benefits Paid	(1,476,158)	(1,570,354)	(226,578)	(803,845)
<b>PV of Obligation</b>	<b>24,677,805</b>	<b>21,469,072</b>	<b>4,463,538</b>	<b>3,656,222</b>



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

Particulars	Gratuity (funded)		Leave-(Un-funded)		
	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹	
<b>(iii) Change in Plan Assets</b>					
Fair Value of Plan Assets	4,408,241	4,847,611	-	-	
Expected Return on Plan Assets	308,644	226,065	-	-	
Adjustment in Opening Balance	-	-	-	-	
Actuarial (Gain)/Loss	19,509	(12,826)	-	-	
Contributions	800,961	917,745	226,578	803,845	
Expenses debited by the Insurance Co.	(176,272)	-	-	-	
Benefits Paid	(1,476,158)	(1,570,354)	(226,578)	(803,845)	
Fair Value of Plan Assets	<b>3,884,925</b>	<b>4,408,241</b>	-	-	
<b>(iv) Net Liability recognized in the Balance Sheet :</b>					
PV of Obligation	24,677,805	21,469,072	4,463,538	3,656,222	
Fair Value of Plan Assets	3,884,925	4,408,241	-	-	
Amount Recognized in the Balance Sheet	(20,792,880)	(17,060,831)	(4,463,538)	(3,656,222)	
<b>(v) Principal Actuarial Assumptions</b>					
Discount rate	6.87%	7.60%	6.87%	7.60%	
Rate of Return on Plan Assets	7.75%	5.00%	-	-	
Expected increase in salary cost	2.00%	2.00%	2.00%	2.00%	
<b>(c) Amount Recognised in the current year and previous four years</b>					
<b>Particulars of Gratuity</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Defined Benefit Obligations	24,677,805	21,469,072	16,088,693	17,684,117	22,913,636
Fair Value of Plan Assets	3,884,925	4,408,241	4,847,611	5,084,604	14,446,966
Surplus/(Deficit) in the Plan	(20,792,880)	(17,060,831)	(11,241,082)	(12,599,513)	(8,466,670)
Actuarial (Gain)/Loss on the Plan Assets	19,509	(12,826)	-	-	(78,663)
Actuarial (Gain)/Loss on the Plan Obligations	1,470,280	4,620,611	(3,305,798)	2,389,894	661,939
<b>Particulars of Leave</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Defined Benefit Obligations	4,463,538	3,656,222	3,847,055	4,347,204	4,275,184
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(Deficit) in the Plan	(4,463,538)	(3,656,222)	(3,847,055)	(4,347,204)	(4,275,184)
Actuarial (Gain)/Loss on the Plan Assets	-	-	-	-	-
Actuarial (Gain)/Loss on the Plan Obligations	41,230	(181,003)	(864,515)	591,805	679,726

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

### Notes:

- 1 Discount rate is determined by reference to market yield at the Balance Sheet date on Government Bonds, where the currency and terms of the Govt. Bonds are consistent with the currency and estimated terms for the benefit obligation.
- 2 The estimate of future salary increase take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- 3 100% of Plan Assets are invested in Group Gratuity Scheme offered by Life Insurance Corporation of India.

### Note 29.2 Disclosures under Accounting Standard - 17 (Segment Reporting)

- i. Business Segment: The company operates in a single segment as manufacturer of Intermediates of Agro chemicals and Job work for its related products "Chemicals".
- ii. Secondary Segment: The company mainly caters to domestic clients and therefore there are no reportable geographical segments.

### Note 29.3 Disclosures under Accounting Standard -18 (Related Party Disclosures)

#### (i) Names of related parties and description of relationship with whom transactions have taken place:

Subsidiary Companies	Oasis Agritech Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	Pratipal Investments Private Limited Transpek Industry Limited Agrocel Industries Private Limited Tushar Dayal HUF Excel Industries Limited Excel Bio Resources Limited Kamaljyot Investments Limited Transpek Silox Industry Private Limited Aatapi Seva Foundation Shroffs Engineering Private Limited Anshul Specialty Molecules Private Limited
Key Management Personnel	Tushar Dayal Chandahas Dayal Ravi Shroff Dipesh Shroff Bimal Mehta Rajagopalan Lakshminarasimha Krutika Dave (Company Secretary upto 30th March, 2019) Kruti Parekh (Company Secretary )(w.e.f 27th September, 2019)
Relatives of key management personnel	Hiral Dayal Paritosh Dayal Pratik Dayal

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

### (ii) Particulars of Transactions with Related Parties

Transactions with related parties for the year ended March 31, 2020 are as follows: (Previous Year's figures are shown in brackets)

(Amount in ₹)				
Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
Sale of Goods	-	2,359,997	-	2,359,997
	-	(746,025)	-	(746,025)
Sale of Asset	-	21,000,000	-	21,000,000
	-	-	-	-
Windmill Income (Reimbursement)	-	15,423,469	-	15,423,469
	-	(12,186,798)	-	(12,186,798)
Windmill Expenses (Reimbursement)	-	2,666,775	-	2,666,775
	-	(1,236,559)	-	(1,236,559)
Job work Income	-	244,720,383	-	244,720,383
	-	(98,513,979)	-	(98,513,979)
Purchase of goods	-	4,210,296	-	4,210,296
	-	(4,503,228)	-	(4,503,228)
Interest	-	16,475,051	17,726,483	34,201,534
	-	(14,250,222)	(6,010,356)	(20,260,578)
Rent Income	-	11,000	-	11,000
	-	-	-	-
Travelling Reimbursement	-	21,600	-	21,600
	-	(18,000)	-	(18,000)
Professional Fees Paid	-	-	3,600,000	3,600,000
	-	-	(3,600,000)	(3,600,000)
Remuneration Paid	-	-	214,667	214,667
	-	-	(1,489,355)	(1,489,355)
Fuel Charges (Reimbursement)	-	108,078,148	-	108,078,148
	-	(47,152,303)	-	(47,152,303)
Deposit Accepted	-	-	50,000,000	50,000,000
	-	(118,250,000)	(112,634,000)	(230,884,000)
Deposit repaid	-	15,000,000	10,000,000	25,000,000
	-	(16,000,000)	(14,169,000)	(30,169,000)
Capital Advance Received	-	-	-	-
	-	(4,200,000)	-	(4,200,000)

\* As the liabilities for leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors is not separately determined and hence are not included in above.

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

(Amount in ₹)

Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
<b>Balance Outstanding at the year end:</b>				
Accounts Payable	-	20,228,863	-	20,228,863
	-	(41,612,723)	-	(41,612,723)
Accounts Receivable including Trade Advance	-	28,088,779	-	28,088,779
	-	(11,515,628)	-	(11,515,628)
Deposits Accepted	-	155,250,000	164,865,000	320,115,000
	-	(170,250,000)	(124,865,000)	(295,115,000)
Interest payable on Deposits	-	25,186,061	21,951,323	47,137,384
	-	(14,084,966)	(7,695,415)	(21,780,381)

**(iv) Significant transactions with related parties:**

Particulars	Year Ended 31st March, 2020 ₹	Year Ended 31st March, 2019 ₹
<b>A) Transactions during the year</b>		
<b>Sale of Goods</b>		
Transpek Industry Limited	-	746,025
Transpek Silox Industry Private Limited	2,359,997	-
<b>Sale of Asset</b>		
Transpek Industry Limited	21,000,000	-
<b>Windmill Income (Reimbursement)</b>		
Transpek Industry Limited	15,423,469	12,186,798
<b>Windmill Expenses (Reimbursement)</b>		
Transpek Industry Limited	2,666,775	1,236,559
<b>Job work Income</b>		
Transpek Industry Limited	244,720,383	98,513,979
<b>Purchase of Goods</b>		
Transpek Industry Limited	4,210,296	4,449,828
Excel Industries Limited	-	53,400
<b>Interest Expenses</b>		
Agrocel Industries Private Limited	7,150,000	6,120,067
Anshul Specialty Molecules Private Limited	7,150,000	4,780,478
Transpek Industry Limited	513,055	310,178

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

Particulars	Year Ended	
	31st March, 2020 ₹	31st March, 2019 ₹
Excel Bio Resources Limited	390,803	389,999
Kamaljyot Investments Limited	841,365	839,996
Pratipal Investments Private Limited	-	641,918
Shroffs Engineering Private Limited	72,329	1,100,003
Dipesh Shroff	5,091,340	9,041
Ravi Shroff	5,500,000	1,829,313
Tushar Dayal	1,578,276	1,804,668
Hiral Dayal	4,773,781	2,039,209
Paritosh Dayal	130,237	52,674
Pratik Dayal	652,849	275,451
Tushar Dayal HUF	357,499	67,583
<b>Professional Fees Paid</b>		
Tushar Dayal	3,600,000	3,600,000
<b>Remuneration Paid</b>		
Krutika Dave	-	239,355
Kruti Parekh	214,667	-
Paritosh Dayal	-	1,250,000
<b>Reimbursement of Expenses</b>		
Transpek Industry Limited	108,078,148	47,152,303
<b>Deposit Accepted</b>		
Agrocel Industries Private Limited	-	50,000,000
Anshul Specialty Molecules Private Limited	-	65,000,000
Ravi Shroff	-	35,000,000
Dipesh Shroff	50,000,000	10,000,000
Tushar Dayal	-	17,117,000
Hiral Dayal	-	43,398,000
Paritosh Dayal	-	1,184,000
Pratik Dayal	-	5,935,000
Tushar Dayal HUF	-	3,250,000
<b>Deposit Repaid</b>		
Transpek Industry Limited	5,000,000	6,000,000
Dipesh Shroff	10,000,000	-
Pratipal Investments Private Limited	-	10,000,000
Tushar Dayal	-	14,169,000
Shroffs Engineering Private Limited	10,000,000	-
<b>Rent Income</b>		
Anshul Specialty Molecules Private Limited	8,000	-
Aatapi Seva Foundation	3,000	-
<b>Travelling Reimbursement</b>		
Aatapi Seva Foundation	21,600	18,000

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

Particulars	Year Ended 31st March, 2020 ₹	Year Ended 31st March, 2019 ₹
<b>Capital Advance Received</b>		
Transpek Industry Limited	-	4,200,000
<b>B) Closing Balance as at end of the year :</b>		
<b>Accounts Payable</b>		
Transpek Industry Limited	20,228,863	39,922,836
Excel Industries Limited	-	1,689,887
<b>Accounts Receivables</b>		
Transpek Industry Limited	28,019,976	11,515,628
Transpek Silox Industry Private Limited	40,123	-
Anshul Specialty Molecules Private Limited	4,720	-
Aatapi Seva Foundation	23,960	-
<b>Deposits Payable</b>		
Transpek Industry Limited	12,000,000	17,000,000
Agrocel Industries Private Limited	65,000,000	65,000,000
Anshul Specialty Molecules Private Limited	65,000,000	65,000,000
Shroffs Engineering Private Limited	-	10,000,000
Excel Bio Resources Limited	3,000,000	3,000,000
Kamaljiyot Investments Limited	7,000,000	7,000,000
Dipesh Shroff	50,000,000	10,000,000
Ravi Shroff	50,000,000	50,000,000
Tushar Dayal	14,348,000	14,348,000
Hiral Dayal	43,398,000	43,398,000
Paritosh Dayal	1,184,000	1,184,000
Pratik Dayal	5,935,000	5,935,000
Tushar Dayal HUF	3,250,000	3,250,000
<b>Interest payable on Deposit</b>		
Agrocel Industries Private Limited	12,685,560	7,443,307
Pratipal Investments Private Limited	1,072,726	1,971,864
Anshul Specialty Molecules Private Limited	10,737,430	4,302,430
Kamaljiyot Investments Limited	307,770	306,540
Dipesh Shroff	4,555,081	8,137
Ravi Shroff	7,338,882	3,592,478
Tushar Dayal	2,925,583	1,964,199
Hiral Dayal	6,131,690	1,835,288
Paritosh Dayal	164,619	47,407
Pratik Dayal	835,468	247,906
Tushar Dayal HUF	382,575	60,825

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

### Note 29.4 Deferred Tax Liability / Asset

Particulars	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹
<b>Tax effect of items constituting deferred tax liability</b>		
Related to Property, Plant and Equipments	54,354,038	64,650,573
<b>Total deferred tax liabilities</b>	<b>54,354,038</b>	<b>64,650,573</b>
<b>Tax effect of items constituting deferred tax assets</b>		
On Unabsorbed depreciation and business loss as per Income Tax Act, 1961	139,989,341	142,843,304
Disallowances under the Income Tax Act, 1961	7,165,883	5,916,834
<b>Total deferred tax assets</b>	<b>147,155,224</b>	<b>148,760,138</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(92,801,186)</b>	<b>(84,109,565)</b>

The company has recognised deferred tax asset on unabsorbed depreciation and carried forward business losses as per Income tax Act, 1961, to the extent that there is virtual certainty, evidenced by confirmed long term agreement for manufacture of products on "Toll manufacturing basis" and based on that projection made by management that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### Note 29.5 Disclosures under Accounting Standards - 20 (Earnings Per Share)

Particulars	2019-20 ₹	2018-19 ₹
Net Profit available for Equity Shareholders	(27,879,259)	(150,240,140)
Weighted Average No. of Equity Shares (Refer Note 3)	5,250,000	5,250,000
Basic and Diluted Earnings Per Share (₹) (Equity Share of Face Value of ₹ 10/- each)	(5.31)	(28.62)

**Note 29.6** The company has secured required regulatory permissions for appropriate modifications in the product mix, apart from and in addition to the existing products being manufactured. The company has started toll manufacture, in both of the manufacturing facilities with long term contracts for value added products. required pace, during the year. These initiatives have since enabled the company to actualise progressively higher capacity utilisation and throughput.

The company's promoters have strengthened the company's finance by infusion of long term funds into the company. In addition to above, promoters will do an infusion of appropriate additional funds into the Company as and when required to meet its on-going liabilities.

These measures has resulted in improvement of Cash flows and shall further help company to stabilize its operations at sustainable levels. Financial statements during the year, are therefore, continued to be presented on a going concern basis with optimum use of assets and settlement of liabilities in the normal course of business.

**Note 29.7** The Group does not foresee significant shifts in the long term demand for its products due to COVID - 19 pandemic, both domestic and global markets. The Management has carried out a detailed assessment of the impact of COVID -19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets for the next one year including Property, plants and equipment, Trade receivables, Inventories and Investments and is of the opinion that there would not be material impact of COVID -19 on its operations.



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

### Note 29.8 GOING CONCERN AND COVID-19 DISCLOSURE

(as mentioned in the audit report of Oasis Agritech Limited, a subsidiary company)

The subsidiary company has incurred losses during last so many years and accumulated loss of the subsidiary company as on 31.03.2020 is Rs 93,16,463/-. The management is of view that it is difficult to continue operation of the subsidiary company as going concern. The management evaluates various options to resolve the problem related to going concern.

### Note 29.9 Details of dues to Micro, Small and Medium Enterprises:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

The disclosures relating to the suppliers as defined in the MSMED Act, 2006 are as under:	For the Year 31-Mar-20	For the Year 31-Mar-19
(a) The principal amount remaining unpaid to suppliers as at the end of accounting year	5,891,752	984,142
(b) The amount of interest due thereon remaining unpaid/unclaimed as at the end of the accounting year	817,512	267,521
(c) The amount of interest paid in terms of Section 16 along with amount of payment made to the suppliers beyond the appointed date during the year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding interest specified under this Act).	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	817,512	267,521

Note 1: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

### Note 30

The previous year figures have been accordingly regrouped / re-classified to confirm to the current year's classification.

#### Signature to Notes '1' to '30'

As per our report of even date

**For CNK & Associates LLP**

Chartered Accountants

FRN: 101961W/W - 100036

**Pareen Shah**

Partner

Mem No: 125011

Place : Vadodara

Date : 4th August, 2020

**For and on behalf of the Board of Directors**

**Tushar Dayal**

Director

DIN: 01055037

**Kruti Parekh**

Company Secretary (ACS:25792)

Place : Vadodara

Date : 4th August, 2020

**Bimal Mehta**

Director

DIN: 00081171

# TML INDUSTRIES LIMITED

Registered Office :

Registered Office: B-601, Alkapuri Arcade, R. C. Dutt Road, Vadodara – 390007

CIN: U74120GJ1989PLC012329 Email: cs@tmlind.com Ph: 265 2343302 Website: www.tmlind.com

## Attendance Slip

Folio No./ DP ID/ Client ID: \_\_\_\_\_

Name of First named Member/Proxy/ Authorised Representative \_\_\_\_\_

Name of Joint Member(s), if any: \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company. I/we hereby record my/our presence at the 31st ANNUAL GENERAL MEETING of the Company being held on Tuesday, 29th September, 2020 at 10.30 am at Registered Office of the Company at B-601, Alkapuri Arcade, R.C. Dutt Road, Alkapuri, Vadodara 390007.

Signature of First holder/ Proxy/ Authorised Representative \_\_\_\_\_

Signature of 1st Joint holder \_\_\_\_\_

Signature of 2nd Joint holder \_\_\_\_\_

Note(s): 1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the MEETING VENUE.

2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting

# TML INDUSTRIES LIMITED

Registered Office :

Registered Office: B-601, Alkapuri Arcade, R. C. Dutt Road, Vadodara – 390007

CIN: U74120GJ1989PLC012329 Email: cs@tmlind.com Ph: 265 2343302 Website: www.tmlind.com

## Proxy Form

Name of the member (s):

Registered address:

E-mail Id:

Folio No./ DP ID/ Client ID:

I / We of being a Member/Members of the \_\_\_\_\_ shares of above named Company hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on Tuesday, 29th September, 2020 at 10.30 am at Registered Office of the Company at B-601, Alkapuri Arcade, R.C. Dutt Road, Alkapuri, Vadodara 390007 and at any adjournment thereof in respect of such resolutions as are indicated below:

### **Ordinary Business**

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To consider the re-appointment of Shri Dipesh K. Shroff as a Director who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider the re-appointment of Shri Ravi A. Shroff as a Director who retires by rotation and, being eligible, offers himself for re-appointment.

### **Special Business**

4. To consider the appointment of Shri Bimal Mehta (DIN No. 00081171) as an Independent Director.
5. To consider the appointment of Shri Lakshminarasimha Rajagopalan (DIN No. 00063935) as an Independent Director.
6. To ratify related party transactions.
7. To increase the borrowing limits of the Company.

Signed this \_\_\_ day of \_\_\_\_\_ 2020

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.







[www.tmlind.com](http://www.tmlind.com)

**REGISTERED OFFICE:**

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Canal Road, At & Post: Karakhadi - 391 450  
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