

CA Devpura Navlakha & Co.

Chartered Accountants

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Independent Auditor's Report

To the Members of
TECHNICHEM ORGANICS PRIVATE LIMITED

Report on the Financial Statement

Opinion

We have audited the accompanying financial statements of **TECHNICHEM ORGANICS PRIVATE LIMITED ("the company")**, which comprise the Balance Sheet as at March 31, 2020, and the statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of the significant accounting Policies and other explanatory information.

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

Subject to;

- (i) Note No. 25, relating to non-provision of retirement benefits, the extent of non-compliance in value terms is not ascertained.
- (ii) Note No.26, the balances of loans and advances given, debtors and creditors are subject to balance confirmation by the respective parties, and necessary adjustment if any will be made on its reconciliation.



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Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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

The Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in



forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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 prudent; and design, implementation and maintenance of adequate internal



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financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The boards of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility

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

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

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



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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. From



the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the companies (Auditor's Report) Order, 2016 ("the order") Issued by the central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013. We give in the **Annexure-"A"** a Statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- c) The balance sheet, 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 financial statements comply with the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

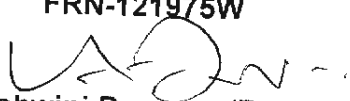
e) On the basis of written representations received from the directors as on **March 31, 2020**, taken on record by the Board of Directors, none of the



directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the companies Act, 2013.

- f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the rule of the Companies (Audit and Auditor's) Rules,2014, in our opinion and according to the best of our information and according to the explanation given to us:
- (i) The Company does not have any pending litigation which may have a material bearing on its state of affairs
- (ii) The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) The Company does not have any pending litigation which may have a material bearing on its state of affairs

For, Devpura Navlakha & Co.
Chartered Accountant
FRN-121975W


Ashwini Devpura (Partner)
Membership No.047390
UDIN:20047390AAAET6897

Place: Ahmedabad
Date: 18/12/2020



ANNEXURE-A TO THE AUDITORS' REPORT

Annexure referred to in paragraph '1' of the Auditor's Report to the Members of **TECHNICHEM ORGANICS PRIVATE LIMITED** on the accounts for the year ended on 31st March, 2020.

- (i)
 - (a) As informed to us, the company is in the process of updating the records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, during the year, the Fixed Assets of the company have been physically verified by the management, which in our opinion is reasonable having regard to the size of the company and nature of assets. We are informed that, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us and on the basis of examination of records of the company, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the company except motor cars.
- (ii) As explained to us, inventory of the company has been physically verified during the year by the management at reasonable intervals and in our opinion and according to the information and explanation given to us, the company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the company has not granted unsecured loans, to parties covered in the register maintained under Section 189 of the companies Act, 2013. In view of it clause 3 (iii) (a), (b) of the said order is not applicable to the company.
- (iv) The company has not granted any loans or made any investments or given guarantee or securities during the year. Hence, reporting under this clause is not called for.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to



76 or any other relevant provisions of the Act and the Companies (Acceptance and Deposit) Rules, 2016 with regard to the deposits are not applicable.

(vi) According to the information and explanation given to us, prima facie, the company has maintained cost records as prescribed by the Central Government of India under sub section (1) of Section 148 of the Act and the rules framed there under. However, we have not carried out a detailed examination of the same.

(vii) (a) As per the records verified by us, the company is generally regular in depositing statutory dues except professional tax with the appropriate authorities. The undisputed amount payable and was remaining outstanding for a period of more than six months as at Balance Sheet date is Professional Tax Rs.1,40,390/-

As regards, The Employees State Insurance, Investor Education and Protection Fund, we were explained that the said Statutes are not applicable to the company during the year under review.

(b) As per the records verified by us and based on the explanations given to us, the company has no disputed liability under sales tax, wealth tax, excise duty, cess, except the following:

Sr.	Name of Statute	Assessment Year	Nature of Dues	Forum where dispute is pending	Amount (Rs, in lacs)
1	Income Tax	2014-15	Addition in Returned Income	Appeal Before ITAT (Ahmedabad)	43.05

(viii) The Company has not defaulted in repayment of loans or borrowing dues to bank. The company has not received any loan from Financial Institution or issued any debentures.




- (ix) The company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- (x) According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company is a Private Limited Company and hence provision of Section 197 read with schedule V of the Companies Act are not applicable. According, paragraph 3(xi) of the order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transaction have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into cash transactions with directors or persons connected with him.



Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For, Devpura Navlakha & Co.
Chartered Accountant
FRN-121975W**


**Ashwini Devpura (Partner)
Membership No.047390
UDIN: 20047390AAAET6897**



**Place: Ahmedabad
Date: 18/12/2020**

TECHNICHEM ORGANICS PVT. LTD.
BALANCE SHEET AS AT 31st MARCH, 2020

(AMOUNT IN RUPEES)

S.N	PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
	<u>EQUITY AND LIABILITIES</u>			
1	Shareholders Fund			
	(a) Share Capital	3	7,275,000	7,275,000
	(b) Reserves & Surplus	4	54,038,387	40,475,590
	TOTAL		61,313,387	47,750,590
2	<u>Non-Current Liabilities</u>			
	(a) Long Term Borrowing	5	21,834,217	2,498,449
	(b) Deferred Tax Liability (Net)	6	4,803,910	3,991,441
	TOTAL		26,638,127	6,489,890
3	<u>Current Liabilities</u>			
	(a) Short Term Borrowing	7	0	0
	(b) Trade Payable	8	121,638,246	100,332,642
	(c) Other Current Liabilities	9	24,825,295	5,296,918
	(d) Short Term Provisions	10	3,991,841	3,912,053
	TOTAL		150,455,382	109,541,613
	TOTAL		238,406,896	163,782,093
4	<u>ASSETS</u>			
	<u>Non- Current Assets</u>			
	(a) Fixed Assets			
	(i) Tangible Assets	11	64,734,866	69,130,559
	(ii) Intangible Assets		0	0
	(iii) Capital work-in-process	11	54,979,729	13,091,503
	(b) Non-Current Investment	12	500,000	0
	(c) Other Non-Current Assets	13	500,000	500,000
	TOTAL		120,714,595	82,722,062
5	<u>Current Assets</u>			
	(a) Inventories	14	20,310,198	19,143,479
	(b) Trade Receivables	15	38,230,051	30,627,533
	(c) Cash and Bank Balances	16	28,063,225	4,134,656
	(d) Short -Term Loans And Advances	17	31,088,827	27,154,363
	TOTAL		117,692,301	81,060,031
	TOTAL		238,406,896	163,782,093

See accompanying notes 1 to 40 forming part of the financial statements

As per our report of even date attached

For, **DEVPURA NAVLAKHA & CO.**

Chartered Accountants

FRN : 121975W

(ASHWINI DEVPURA)

PARTNER

Membership No.047390

UDIN: 20047390AAAET6897

Date : 18/12/2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



(BHARAT PANDYA)
(DIRECTOR)



(ANIL PANDYA)
(DIRECTOR)

Place : AHMEDABAD

Date : 18/12/2020

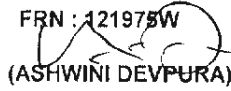


TECHNICHEM ORGANICS PVT. LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2020

(AMOUNT IN RUPEES)

SR. NO.	PARTICULARS	NOTE NO.	FOR YEAR ENDED 31.03.2020	FOR YEAR ENDED 31.03.2019
	Continuing Operations Income			
	Revenue from operations (Gross)	18	378,290,284	382,834,453
	Other Income	19	2,611,858	4,879,374
A	TOTAL REVENUE		380,902,142	387,713,827
	Expenditure:			
	Material Consumed	20	285,949,607	305,852,929
	Change in Inventories	21	742,723	(1,835,607)
	Employee Benefits	22	13,762,397	11,391,878
	Finance Costs	23	5,023,923	1,868,891
	Other Expenses	24	52,345,764	48,404,308
	Depreciation	11	4,680,246	4,432,878
B	TOTAL EXPENSES		362,504,660	370,115,277
	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (A-B)		18,397,482	17,598,550
	EXCEPTIONAL AND EXTRAORDINARY ITEMS		-	-
	PROFIT BEFORE TAX		18,397,482	17,598,550
	TAX EXPENSES			
	Provision for Income tax		(3,991,841)	(3,912,053)
	Deferred Tax Liabilities		(812,469)	(1,027,495)
	PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS CARRIED TO B/S		13,593,172	12,659,002
	(Less)/Add : Prior Period (Expenses)/Income	25	(30,375)	2,967,382
	PROFIT FOR THE YEAR		13,562,797	15,626,384
	Earning/(Loss) per equity share of F.V. Rs. 10 each: Basic and Diluted (in Rs.)	29	18.64	21.48

See accompanying notes 1 to 40 forming part of the financial statements

As per our report of even date attached
In Accordance with our Report attached
For, DEVPURA NAVLAKHA & CO.
Chartered Accountants
FRN : 121975W

(ASHWINI DEVPURA)
PARTNER

Membership No.047390
UDIN: 20047390AAAAET6897
Date : 18/12/2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


(BHARAT PANDYA)
(DIRECTOR)


(ANIL PANDYA)
(DIRECTOR)

Place : AHMEDABAD

Date : 18/12/2020



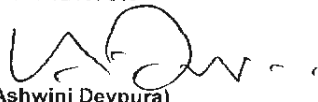
TECHNICHEM ORGANICS PVT. LTD.

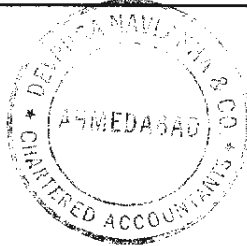
**Cash Flow Statement
For the Year ended on 31st March, 2020**

(Amount in Rs.)

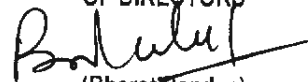
	Year Ended On 31st March 2020	Year Ended On 31st March 2019
(A) Cash Flows from Operating Activities		
1. Net Profit Before Tax	18,397,482	17,598,550
2. Adjustment For		
(a) Depreciation	4,680,246	4,432,878
(b) Finance Cost	5,023,923	1,868,891
(c) Loss on damage of Asset	-	-
(d) Prior Period expense	(30,375)	-
Operating profit before working capital changes (1+2)	28,071,276	23,900,319
3. Adjustment For working Capital Change:		
(i) (Increase)/Decrease in operating asset		
(a) Inventories	(1,166,719)	(748,331)
(b) Trade Receivables	(7,602,518)	2,782,149
(c) Loans & Advances	(3,934,465)	(11,383,489)
(ii) Increase/(Decrease) in operating liabilities		
(a) Trade Payable	21,305,604	15,171,229
(b) Other current Liabilities	19,528,377	(2,577,203)
(c) Provisions	79,788	483,641
Cash flow Generated from (Used in) operation	56,281,344	27,628,316
Less: Direct tax paid	(3,991,841)	(3,912,053)
Net Cash flow generated from (used in) operating Activities (A)	52,289,503	23,716,264
(B) Cash Flows from Investing Activities		
(a) Sale of fixed Assets	-	-
(b) Purchase of Fixed Assets	(284,553)	(10,611,544)
(c) Payment for Capital Working Progress	(41,888,227)	(13,091,503)
(d) Increase of Non Current Investment	(500,000)	-
Net Cash flow Generated from (Used in) in Investing Activities (B)	(42,672,780)	(23,703,047)
(C) Cash Flows from Financial Activities		
(a) Proceeds/ (Repayment) from long term borrowing	19,335,768	1,132,781
(b) Finance Cost	(5,023,923)	(1,868,891)
Net Cash flow from (Used in) in Financial Activities (C)	14,311,845	(736,110)
(D) Net increase (decrease) in cash and cash equivalents (A+B+C)	23,928,568	(722,894)
(E) Cash and cash equivalents at beginning of period	4,134,657	4,857,550
(F) Cash and cash equivalents at end of period	28,063,225	4,134,657

As per our report of even date attached
For, DEVPURA NAVLAKHA & CO.
Chartered Accountants
FRN : 121975W


(Ashwini Devpura)
Partner
Membership No. 047390
UDIN: 20047390AAAET6897



FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS


(Bharat Pandya)
(DIRECTOR)


(Anil Pandya)
(DIRECTOR)

Place : Ahmedabad
Date : 18/12/2020

TECHNICHEM ORGANICS PVT LTD.

NOTES TO FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2020

1. CORPORATE INFORMATION

The company is currently engaged in manufacturing and trading of chemicals.

Registered Office:

5th Floor, Malak Building,

B/h Old High Court,

Ahmedabad-380009.

2. SIGNIFICANT ACCOUNTING POLICIES

a. ACCOUNTING CONVENTION :

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") /Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. FIXED ASSETS:

- i) The Gross Block of fixed assets is stated at cost (Net of MODVAT/GST). Cost comprises of purchase price and other attributable expenses.
- ii) The carrying amount of cash generating assets is reviewed at balance sheet date to determine whether there is any indication of impairment, if any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.
- iii) Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.



- iv) Depreciation on tangible assets is provided on the Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

c. INVENTORIES

Inventories are valued at lower of cost or net realizable value. Cost is determined on FIFO basis.

d. SALES:

Sales value is net off GST as applicable, and other rebate & claims if any. Sales are accounted for on dispatch of goods to the customers and are net of sales return.

e. TREATMENT OF RETIREMENT OF BENEFITS:

Retirement benefits are accounted for as and when paid.

f. MISCELLANEOUS EXPENDITURE:

Preliminary expenses and deferred revenue expenses have been amortized over a period of 10 years.

g. FOREIGN CURRENCY TRANSACTIONS:

- i.) Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. Foreign currency transactions are accounted at the prevailing on the date of transaction.
- ii.) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- iii.) Gain or loss arising out of translation/conversation is taken credit for or charged to the profitand loss statement.

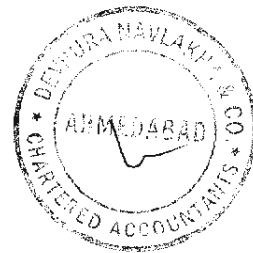
h. BORROWING COSTS:

Borrowing costs relating to acquisition of qualifying assets is capitalized till the date of commercial use of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are charged to profit and loss account.



i. PROVISION FOR INCOME TAX

- (i) Current Tax is the amount of Tax payable on the taxable income for the year as determined in accordance with provision of Income Tax Act, 1961.
- (ii) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using tax rates and laws that have been enacted or subsequently enacted as on the balance sheet date. The Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future, however where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets supported by convincing evidence that there will be sufficient future taxable income available to realize the assets.



TECHNICHEM ORGANICS PVT. LTD.
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020

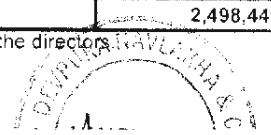
(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	31.03.2020 NO OF SHARES	31.03.2020 AMOUNT Rs.	31.03.2019 NO OF SHARES	31.03.2019 AMOUNT Rs.
3	1	Shareholder's Funds :				
		AUTHORISED:				
		Equity Shares of Rs.10/- each	750000	7,500,000	750000	7,500,000
	Total	750000	7,500,000	750000	7,500,000	
2		ISSUED, SUBSCRIBED & PAID UP				
		Equity Shares of Rs.10/- each	727500	7,275,000	727500	7,275,000
		Add: Amount Received on Shares Forfeited	-	-	-	-
	Total		727500	7,275,000	727500	7,275,000
		Details of Shareholders holding More than 5% shares in the company				
		Name of Shareholder	No of Shares	% of Holding	No of Shares	% of Holding
		(a) Bharat J. Pandya	368650	50.67%	368650	50.67%
		(b) Anil J. Pandya	331950	45.63%	331950	45.63%

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
4		RESERVE & SURPLUS:				
		(A) Capital Reserve				
		As per Last Balance Sheet Date	11,311,109		11,311,109	
		Add: Addition	-		-	
		Less: Deduction	-	11,311,109	-	11,311,109
		(B) Security Premium Reserve				
		As per Last Balance Sheet Date		4,725,000		4,725,000
		(C) Profit & Loss A/c				
		As per Last Balance Sheet Date	24,439,481		8,813,097	
		Add: Profit /(Loss) for the year	13,562,797		15,626,384	
		Total		38,002,278		24,439,481
				54,038,387		40,475,590

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs. NON-CURRENT	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs. NON-CURRENT	31.03.2019 AMOUNT Rs.
5		Long Term Borrowings:				
		Secured Loan				
		Machinery Loan - Kotak Mahindra Bank Ltd. (Note: 1)	-		-	
		Standard Chartered Bank Homesaver Loan (Note: 2)	17,424,080	17,424,080	-	
		Unsecured Loan				
		Aditya Birla Finance Ltd – Business Loan	-		-	
		Axis Bank Ltd - Business Loan	-		-	
		Deutsche Bank - Business Loan	830,742		-	
		Fullerton India Credit Company - Business Loan	592,046		-	
		IDFC First Bank Ltd - Business Loan	-		-	
		Incred financial Services Ltd - Business Loan	336,584		-	
		Indiabulls Consumer Finance Limited - Business Loan	-		-	
		Car Loan - Yes Bank (Note: 3)	-		668,877	
		Magma Fincorp Limited - Business Loan	480,443		-	
		Oxyzo Financial Services Pvt Ltd - Business Loan	-		-	
		RBL Bank - Business Loan	-		-	
Standard Chartered Bank - Business Loan	1,162,508		-			
Car Loan -Kotak Bank - (Note:3)	1,007,814	4,410,137	1,829,572	2,498,449		
	Total		21,834,217		2,498,449	

Note: 1 - Secured against Current and fixed assets of the company, Mortgage of factory building and personal guarantees of the directors
 Note: 2- Secured against Mortgage of Immovable Property (Residential) in the name of Directors & relatives)
 Note: 3 - Loan Sanctioned in the name of the director.



NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
6		<u>Deferred Tax Liability (Net)</u>		
		Deferred Tax Liability	4,803,910	3,991,441
		Total	4,803,910	3,991,441

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
7		<u>SHORT TERM BORROWING</u>		
		Total	-	-

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
8		<u>TRADE PAYABLE</u>		
		Sundry Creditors	121,638,246	100,332,642
		Total	121,638,246	100,332,642

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
9		<u>Other Current Liabilities</u>			
		Duties and Taxes Payable	408,128		540,514
		Excess Cheque Issued	-		1,571
		Other Liabilities	216,596		550,690
		Advance from Debtors	2,545,260		11,800
		Current Maturities of Long term debts	21,655,311		4,192,343
		Secured Loan			
		Machinery Loan - Kotak Mahindra Bank Ltd. (Note: 1)	0	2,695,683	
		Standard Chartered Bank Homesaver Loan (Note: 2)	1,977,565		
		Unsecured Loan			
		Aditya Birla Finance Ltd - Business Loan	607,393		
		Axis Bank Ltd - Business Loan	1,736,246		
		Deutsche Bank - Business Loan \	1,777,665		
		Fullerton India Credit Company - Business Loan	1,032,884		
		IDFC First Bank Ltd - Business Loan	1,955,826		
		Incred financial Services Ltd - Business Loan	1,094,208		
		Indiabulls Consumer Finance Limited - Business Loan	1,788,276		
		Car Loan - Yes Bank (Note: 3)	668,877	826,232	
		Magma Fincorp Limited - Business Loan	1,017,110		
		Oxyzo Financial Services Pvt Ltd - Business Loan	1,884,071		
		RBL Bank - Business Loan	2,773,462		
		Standard Chartered Bank - Business Loan	2,519,970		
		Car Loan -Kotak Bank - (Note:3)	821,758	670,428	
		Total	24,825,295		5,296,918

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
10		<u>SHORT TERM PROVISIONS</u>		
		Provision for Income Tax	3,991,841	3,912,053
		Total	3,991,841	3,912,053



1 : Fixed Assets

Amount in Rs.

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2019	Addition	Deduction	As at 31.03.2020	As at 01.04.2019	Addition/For the year	Deduction	As at 31.03.2020	As at 31.03.2019
LE ASSETS :									
As at 01.04.2019	298,235	-	-	298,235	-	-	-	298,235	298,235
Development	303,376	-	-	303,376	-	-	-	303,376	303,376
Building	17,862,291	-	-	17,862,291	5,796,788	566,281	-	11,499,222	12,065,503
	71,343	-	-	71,343	67,776	-	-	3,567	3,567
Machinery	66,421,784	-	-	66,421,784	20,722,376	2,848,978	-	42,850,430	45,699,408
Other Equipments	1,092,358	-	-	1,092,358	436,983	62,261	-	593,114	655,375
Installation	4,257,697	284,553	-	4,542,250	1,480,989	263,787	-	2,797,474	2,776,708
Equipments	8,275,889	-	-	8,275,889	2,436,681	591,836	-	5,247,372	5,839,208
Tools & Fixtures	1,099,178	-	-	1,099,178	683,374	186,242	-	229,562	415,804
Others	1,460,700	-	-	1,460,700	572,998	106,864	-	780,838	887,702
	955,123	-	-	955,123	769,450	53,997	-	131,676	185,674
Total	102,097,974	284,553	-	102,382,527	32,967,414	4,680,246	-	64,734,866	69,130,559
LIABILITIES :									
As at 01.04.2019	-	-	-	-	-	-	-	-	-
Development	102,097,974	284,553	-	102,382,527	32,967,414	4,680,246	-	64,734,866	69,130,559
Building	91,486,430	10,611,544	-	102,097,974	28,534,536	4,432,878	-	69,130,559	62,951,893
Total	102,097,974	10,611,544	-	102,097,974	28,534,536	4,432,878	-	64,734,866	69,130,559
Work In Progress (CWIP) :									
As at 01.04.2019	13,091,503	41,888,226	-	54,979,729	-	-	-	54,979,729	-
As at 31.03.2020	-	13,091,503	-	13,091,503	-	-	-	-	13,091,503



NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
12		<u>NON CURRENT INVESTMENT</u> Khambhat Environcare Association - Share Capital of 50000 each of Rs.10	500,000	
		Total	500,000	

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
13		<u>OTHER NON CURRENT ASSETS</u> Capital Contribution for Effluent booking - Khambhat Environcare Association	500,000	500,000
		Total	500,000	500,000

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
14		<u>INVENTORIES</u> (As valued, verified and certified by the management)		
		a. Stores & Fuels	248,330	265,229
		b. Raw Material	12,309,058	10,382,717
		c. Work-in-Progress	-	-
		d. Finished goods	7,752,810	8,495,533
		Total	20,310,198	19,143,479

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
15		<u>TRADE RECEIVABLE</u> (Unsecured ,considered good)		
		Trade Receivables	30,719,598	23,391,355
		Over six months	7,510,453	7,236,178
		Total	38,230,051	30,627,533

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
16		<u>CASH & BANK BALANCES :</u>		
		a. Balance with Banks		
		In Current Accounts with Scheduled Banks	27,906,130	3,992,566
		b. Cash On Hand	157,095	142,090
		Total	28,063,225	4,134,656

NOTE NO.	S.N	PARTICULARS	31.03.2020 AMOUNT Rs.	31.03.2019 AMOUNT Rs.
17		<u>SHORT TERM LOANS & ADVANCES: (UNSECURED CONSIDERED GOOD)</u>		
		Advances Recoverable in Cash or In Kind	4,503,885	3,335,430
		Amount paid/Balance with Government Authorities	25,109,866	22,317,376
		Deposits	1,475,076	1,501,557
		Total	31,088,827	27,154,363



TECHNICHEM ORGANICS PVT. LTD.
NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

(AMOUNT IN RUPEES)						
Note No.	PARTICULARS			Year Ended 31.03.2020		Year Ended 31.03.2019
18	REVENUE FROM OPERATIONS:					
	Sale of Products			372,938,133		382,834,453
	Sale of Merchandise Exports India Scheme (MEIS Licence)			5,352,151		-
	Total			378,290,284		382,834,453

(AMOUNT IN RUPEES)						
Note No.	PARTICULARS			Year Ended 31.03.2020		Year Ended 31.03.2019
19	OTHER INCOME:					
	Export Incentive			4,233,883		1,257,337
	Discount Income			34,527		131,069
	Interest Income			192,678		110,396
	Reimbursement of Subsidy Under MAI SCHEME			120,000		-
	Direct income from MEIS Scheme		3,382,921			3,380,572
	Less: MEIS License Sold (Income Recognised Earlier Years)		(5,352,151)	(1,969,230)		-
	Total			2,611,858		4,879,374

(AMOUNT IN RUPEES)						
Note No.	PARTICULARS			Year Ended 31.03.2020	Year Ended 31.03.2020	Year Ended 31.03.2019
20	Material Consumed					
	Opening stock					
	Raw Material				10,382,717	11,660,422
	Add:					
	Purchase				287,875,948	304,575,224
	Less					
	Closing Stock				(12,309,058)	(10,382,717)
	Total				285,949,607	305,852,929

(AMOUNT IN RUPEES)						
Note No.	PARTICULARS			Year Ended 31.03.2020	Year Ended 31.03.2020	Year Ended 31.03.2019
21	CHANGE IN INVENTORIES OF FINISHED GOODS & STOCK-IN-PROCESS:					
	Inventories (At year end)					
	Finished Goods			7,752,810		8,495,533
	Work in Process			-	7,752,810	-
	Inventories (At Commencement)					
	Finished Goods			8,495,533		6,659,926
	Work in Process			-	8,495,533	-
	Total				742,723	(1,835,607)

(AMOUNT IN RUPEES)						
Note No.	PARTICULARS			Year Ended 31.03.2020		Year Ended 31.03.2019
22	EMPLOYEE BENEFIT :					
	Salary & Wages			11,977,031		10,314,507
	Staff welfare expences			1,048,709		603,093
	Bonus			730,657		468,278
	Employer's share of PF			6,000		6,000
	Total			13,762,397		11,391,878



Note No.	PARTICULARS	(AMOUNT IN RUPEES)	
		Year Ended 31.03.2020	Year Ended 31.03.2019
23	FINANCE COST:		
	Finance Charges	557,609	130,566
	Bank Charges	982,462	470,903
	Interest on Car Loan	335,875	164,616
	Interest - Others	3,147,977	1,102,806
	Total	5,023,923	1,868,891

NOTE:

Note No.	PARTICULARS	(AMOUNT IN RUPEES)			
		Year Ended -	Year Ended 31.03.2020	Year Ended -	Year Ended 31.03.2019
24	OTHER EXPENSES:				
	Manufacturing Expenses:				
	Power and Fuel	6,723,948		5,786,506	
	Stores & Spare	5,290,881		5,581,937	
	Freight	8,128,690		5,179,005	
	Labour	7,786,671	27,930,190	7,971,720	24,519,168
	Establishment/Administrative Expenses:				
	Rent Rates and Taxes	1,333,074		748,490	
	Foreign Exchange Rate difference	1,145,201		341,728	
	Laboratory	389,911		587,003	
	Travelling & Conveyance	1,166,594		1,595,620	
	Printing and Stationery	139,628		126,172	
	Payment to Statutory Auditor				
	Statutory Audit	48,400		48,400	
	Tax Audit	24,200		24,200	
	Other Services	11,000		11,000	
	Director's Remuneration	7,200,000		5,000,000	
	Selling Expenses	3,492,718		3,171,016	
	Penalty on Duties or Taxes	311,537		0	
	Legal and Professional	1,291,301		2,899,192	
	General	4,235,957		6,216,285	
	Repairs & Maintenance:				
	Plant & Machinery	2,798,714		2,785,988	
	Others	276,103		159,305	
	Building	551,235		181,741	
			24,415,574		23,885,140
	Total		52,345,764		48,404,308

Note No.	PARTICULARS	(AMOUNT IN RUPEES)	
		Year Ended 31.03.2020	Year Ended 31.03.2019
25	Prior (Expenses)/ Income		
	Prior Period Income (Deferred Tax)		2,967,382
	Prior Period Exps (Municipal Tax)	(30,375)	-
	Total	(30,375)	2,967,382



Note No:

(26) The company has not provided for gratuity and other retirement benefits as the company follows the practice of accounting for retirement benefits as and when paid. This is not in accordance with the Accounting Standard 15 issued by the Institute of Chartered Accountants of India. The extent of non compliance in value terms is not ascertained.

(27) The balances of Loans and advances given, debtors and creditors are subject to balance confirmation by the respective parties, and necessary adjustment if any will be made on its reconciliation.

(28) Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

(29) Earnings per Share:

Particulars	31-03-2020 (Rupees)	31-03-2019 (Rupees)
Net Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders	1,35,62,797	1,56,26,384
Average number of equity shares of Rs.10/- each	727500	727500
Earnings /(Loss) per share	18.64	21.48

(30) C.I.F. Value of Imports	For the year ended on 31-March-2020 (Rs)	For the year ended on 31-March-2019 (Rs)
Raw Materials	1,86,42,800/-	1,70,19,782/-

(31) F.O.B. Value of Exports	For the year ended on 31-March-2020 (Rs)	For the year ended on 31-March-2019 (Rs)
F.O.B. Value of Export	16,83,90,782/-	10,52,61,426/-
(32) Expenditure in Foreign Account of Travelling Expenses	For the year ended on 31-March-2020 (Rs)	For the year ended on 31-March-2019 (Rs)
	6,47,801/-	4,86,356/-



(33) Consumption of Raw Materials & %	For the year ended on 31-March-2020 (Rs)	For the year ended on 31-March-2019 (Rs)
Imported	1,86,42,800/- 6.54%	1,70,19,782/- 5.56%
Indigenous	26,64,51,102/ 93.46%	28,88,33,147/- 94.44%
Total	28,50,93,902/-	30,58,52,929/-

34. Related party disclosure, as required by ACCOUNTING STANDARD-18, is as below:

(a) List of related persons

(i) Associates and enterprises with significant influence : Nil

(ii) Directors and their relatives :

Bharat J. Pandya, Anil J. Pandya, Alpaben B Pandya, Sailjaben A Pandya
Devyaniben Joshi and Rucha Pandya

(b) The following transactions were carried out with related parties in ordinary course of business:

(Amount in Rs.)

Sr No.	Particulars	Type of Relation ship	Transaction during the year ended 31-3-2020	Balance outstanding as on 31-3-2020	Transaction during the year ended 31-3-2019	Balance outstanding as on 31-3-2019
1	Remuneration to managerial personnel	a (ii)				
	Bharat J. Pandya		36,00,000	6571	25,00,000	0
	Anil J. Pandya		36,00,000	55	25,00,000	0
2	Bonus to managerial personnel	a(ii)				
	Bharat J. Pandya		0	0	0	0
	Anil J. Pandya		0	0	0	0
3	Rent free accommodation given	a(ii)				
	Bharat J. Pandya		0	0	0	0
4	Rent Paid	a(ii)				
	Alpaben B. pandya		4,80,000	0	3,60,000	27,000
	Shailja A. pandya		4,80,000	0	3,60,000	27,000
5	Unsecured loans repaid	a(ii)				
	Bharat J. Pandya		0	0	0	0
6	Loans & advances given	a(ii)				



	Bharat J. Pandya		13,25,000	325000 (Advance against Expenses)	25,42,450	0
	Anil J. Pandya		11,50,000	700000 (Advance against Expenses)	13,35,000	0
	Devyaniben Joshi		0	0	0	0
7	Receipt of Loans & advances given					
	Bharat J. Pandya	a(ii)	10,00,000	0	25,42,450	0
	Anil J. Pandya		4,50,000	0	13,35,000	0
	Devyaniben Joshi		0	0	0	0
8	Salary Paid					
	Rucha Pandya	a(ii)	7,94,200	0	0	0

(35) Estimated amount of contract as per the Management remaining to be executed on capital account and not provided for Rs. Nil (Rs. Nil)

(36) There is no amounts outstanding as at 31st March,2020,due to supplier who constitute a " Micro, Small and Medium Enterprises as per MSMED Act,2006

(37) The company has filed appeal before ITAT against the order of the CIT (A) for the financial year 2013-14 having the demand of Rs.43.05 lacs. The company as paid Rs.20.00 lacs against the said demand under protest.


(38) The Prior period adjustment of Rs.30,375 is due to short Provision of expense of Municipal Tax in earlier year has been booked in current financial year.

(39) During the Year, the company has sold MEIS License of Rs. 51,73,197 for which income of Rs53,52,151/- has been already recognized in Previous Years.

(40) The figures of the previous year have been regrouped wherever necessary to make them comparable with current year figures. Figures in Bracket indicate previous year figures.

As per our attached report of even date For and on Behalf of Board of Directors

For Devpura Navlakha & Co.
Chartered Accountant
FRN-121975W


Ashwini Devpura (Partner)
Membership No.047390
UDIN: 20047390AAAET6897
Place: Ahmedabad
Date: 18/12/2020



Bharat Pandya Anil Pandya
(Directors)

