

ASHAPURA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2020

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ASHAPURA INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Ashapura International Limited ("the Company") which comprise the Balance Sheet as at 31st March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branch located at Bangalore (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 the financial statements.

Emphasis of matter

We draw your attention to Note 39 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of this matter.



Information Other than the 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, Management Discussion and Analysis, Shareholder's Information, but does not include the financial statements and auditor's report thereon. The Board's Report and other information are expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the aforesaid reports and information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The 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 financial statements to give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 concerns and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that 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 misstatements 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 the internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 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 disclosure, 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 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 one branch of the Company at Bangalore included in the financial statements of the Company whose financial statements reflect total assets of ₹ 686.52 lacs as at 31st March 2020 and total revenues of ₹ 2,289.93 lacs for the year ended on that date, as considered in the financial statements. The financial statements of this branch has been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.



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 terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in clause 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 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 reports on the accounts of one branch office of the Company audited under section 143 (8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f) On the basis of written representations received from the directors as on 31st March 2020, and 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 section 164(2) of the Act;
 - g) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure - B may be referred;
 - h) In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditors' 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 explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Bhavnagar
July 10, 2020



For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Manoj Ganatra

MANOJ GANATRA
Partner
Membership No. 043485
UDIN: 20043485AAAAIM5632

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1 In respect of fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the Company.

2 The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.**3 The Company has granted unsecured loans to company (a fellow subsidiary company) covered in the register maintained under section 189 of the Act. Since no terms and conditions of this loan are stipulated, we cannot offer any comments as to the repayment of principal amount or overdue amounts, if any.****4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.****5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.****6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.****7 In respect of statutory and other dues:**

- a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Cess, Goods & Service Tax and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.

- b. There are no statutory dues, which have not been deposited on account of dispute except:

| Nature of Dues | Statute | Financial Year | ₹ in lacs | Forum where dispute is pending |
|----------------|----------------|----------------|-----------|--------------------------------|
| Income Tax | Income Tax Act | 2014-2015 | 63.92 | CIT - Appeals (Mumbai) |
| | | 2015-2016 | 238.02 | CIT - Appeals (Mumbai) |
| | | 2016-2017 | 215.07 | CIT - Appeals (Mumbai) |



- 8 The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.
- 9 Term loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- 11 Managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Bhavnagar
July 10, 2020



For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Manoj Ganatra

MANOJ GANATRA
Partner
Membership No. 043485
UDIN: 20043485AAAAAIM5632

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of Ashapura International Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance and the Standards on Auditing, issued by the ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -



- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 issued by the ICAI.

Bhavnagar
July 10, 2020



For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

A handwritten signature in black ink, appearing to read "Manoj Ganatra".

MANOJ GANATRA
Partner
Membership No. 043485
UDIN: 20043485AAAAIM5632

ASHAPURA INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31st MARCH, 2020

(₹ in lacs)

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|---|----------|------------------------|------------------------|
| ASSETS: | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 4,447.15 | 4,125.83 |
| Right of use Assets | 3 | 312.40 | - |
| Capital work in progress | | 160.07 | 616.75 |
| Investment property | 4 | 139.30 | 154.70 |
| Intangible assets | 5 | 2.47 | 4.69 |
| Financial assets | | | |
| Investments | 6 | 0.86 | 0.86 |
| Loans | 7 | 18.69 | 24.60 |
| Other financial assets | 8 | 613.43 | 348.20 |
| Deferred tax assets (net) | 9 | 124.62 | 34.29 |
| Other non-current assets | 10 | 657.65 | 542.65 |
| | | 6,476.64 | 5,852.57 |
| Current Assets | | | |
| Inventories | 11 | 8,826.29 | 10,140.90 |
| Financial assets | | | |
| Investments | | - | - |
| Trade receivables | 12 | 9,769.30 | 8,037.01 |
| Cash and cash equivalents | 13 | 889.93 | 50.40 |
| Other bank balances | 14 | 239.68 | 225.49 |
| Loans | 7 | 321.05 | 320.07 |
| Other financial assets | 8 | 1,135.37 | 559.32 |
| Current tax assets (net) | 15 | 6,978.67 | 5,761.37 |
| Other current assets | 10 | 4,942.13 | 4,421.88 |
| | | 33,102.42 | 29,516.44 |
| Total Assets | | 39,579.06 | 35,369.01 |
| EQUITY AND LIABILITIES: | | | |
| Equity | | | |
| Equity share capital | 16 | 300.00 | 300.00 |
| Other equity | 17 | 16,405.32 | 13,783.26 |
| | | 16,705.32 | 14,083.26 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 18 | 567.95 | 172.02 |
| Other financial liabilities | 19 | 109.00 | - |
| Provisions | 20 | 1,331.52 | 1,434.68 |
| Other non-current liabilities | 21 | - | - |
| | | 2,008.47 | 1,606.70 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 18 | 1,173.42 | 1,602.10 |
| Trade payables | 22 | - | - |
| Total outstanding due of Micro and Small Enterprises | | 5.21 | - |
| Total outstanding due of creditors other than Micro and Small Enterprises | | 8,371.38 | 8,247.12 |
| Other financial liabilities | 19 | 455.41 | 129.30 |
| Other current liabilities | 21 | 3,238.03 | 3,135.02 |
| Current tax liabilities (net) | 15 | 7,489.85 | 6,415.44 |
| Provisions | 20 | 131.97 | 150.07 |
| | | 20,865.27 | 19,679.05 |
| Total Liabilities | | 39,579.06 | 35,369.01 |

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ CANATRA
Partner



For and on behalf of the Board of Directors

Directors

Mumbai
July 10, 2020

ASHAPURA INTERNATIONAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2020

(₹ in lacs)

| Particulars | Note No. | 2019-2020 | 2018-2019 |
|---|----------|------------------|------------------|
| REVENUE: | | | |
| Revenue from operations | 23 | 44,890.77 | 41,407.60 |
| Other income | 24 | 909.99 | 335.81 |
| Total Revenue | | 45,800.76 | 41,743.41 |
| EXPENSES: | | | |
| Cost of materials consumed | 25 | 16,890.52 | 18,093.37 |
| Purchases of traded goods | | 3,277.31 | 1,427.56 |
| Changes in inventories | 26 | 1,769.07 | (1,578.51) |
| Employee benefits expenses | 27 | 3,343.16 | 3,035.43 |
| Finance costs | 28 | 415.20 | 379.44 |
| Depreciation and amortisation expenses | 29 | 862.26 | 524.39 |
| Other expenses | 30 | 15,511.22 | 16,625.21 |
| Total Expenses | | 42,068.74 | 38,506.89 |
| Profit before tax | | 3,732.02 | 3,236.52 |
| Tax expenses | | | |
| Current tax | 15 | 995.00 | 1,118.00 |
| Earlier years' tax | | 14.41 | 7.59 |
| Deferred tax | | (42.29) | 69.69 |
| Profit for the year | | 2,764.90 | 2,041.24 |
| Other Comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| a. Remeasurements of defined benefit plans | | (84.55) | (128.49) |
| b. Tax impacts on above | | 21.28 | 44.84 |
| Items that may be reclassified to profit or loss | | - | - |
| Other comprehensive income for the year | | (63.27) | (83.65) |
| Total Comprehensive Income for the year | | 2,701.63 | 1,957.59 |
| Basic and diluted earning per share | 31 | 92.16 | 68.04 |
| Face value per share | | 10.00 | 10.00 |

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner



For and on behalf of the Board of Directors

[Signature]
Directors

Bhavnagar
July 10, 2020

Mumbai
July 10, 2020

ASHAPURA INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

A. SHARE CAPITAL

(₹ in lacs)

| Particulars | 31st March 2020 | 31st March 2019 |
|---|-----------------|-----------------|
| At the beginning of the year | 300.00 | 300.00 |
| Changes in equity share capital during the year | - | - |
| At the end of the year | 300.00 | 300.00 |

B. OTHER EQUITY

(₹ in lacs)

| Particulars | General reserve | Retained earnings | Other Comprehensive Income Net gain/(loss) on fair value of defined benefit plan | Total |
|--|-----------------|-------------------|---|-----------|
| As at 1st April, 2018 | 1,500.00 | 10,440.98 | (115.32) | 11,825.66 |
| Profit for the year | - | 2,041.24 | - | 2,041.24 |
| Other comprehensive income for the year (net of tax) | - | - | (83.64) | (83.64) |
| As at 31st March, 2019 | 1,500.00 | 12,482.22 | (198.96) | 13,783.26 |
| Profit for the year | - | 2,764.90 | - | 2,764.90 |
| Other comprehensive income for the year (net of tax) | - | - | (63.27) | (63.27) |
| Adjustments on account of Ind AS 116 | - | - | (79.57) | (79.57) |
| Transfer from retained earnings to general reserve | - | - | - | - |
| As at 31st March, 2020 | 1,500.00 | 15,247.12 | (341.79) | 16,405.32 |

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner



Bhavnagar
July 10, 2020

For and on behalf of the Board of Directors

[Signature]
Directors

Mumbai
July 10, 2020

ASHAPURA INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(₹ in lacs)

| Particulars | 2019-2020 | 2018-2019 |
|--|-------------------|-------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net profit for the year | 2,764.90 | 2,041.24 |
| Adjustments for - | | |
| Depreciation and amortization | 862.26 | 524.39 |
| Income tax expenses | 967.12 | 1,195.28 |
| Loss / (profit) on sale of investment | - | (1.65) |
| Impairment on receivables | 353.23 | 513.76 |
| Loss / (profit) on sale of property, plant and equipment | (0.07) | 0.04 |
| Finance cost | 279.15 | 213.09 |
| Operating profit before working capital changes | <u>2,461.70</u> | <u>2,444.91</u> |
| Adjustments for - | | |
| Trade and other receivables | (2,936.06) | 1,609.17 |
| Other current and non-current assets | (635.24) | (1,765.74) |
| Inventories | 1,314.62 | (1,839.18) |
| Provisions | (205.80) | 210.92 |
| Other current and non-current liabilities | 103.00 | (874.81) |
| Trade and other payables | 157.83 | 1,214.16 |
| Cash generated from operations | <u>(2,201.66)</u> | <u>(1,445.48)</u> |
| Direct taxes paid | <u>(1,152.30)</u> | <u>(892.26)</u> |
| | | <u>(1,742.35)</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u>1,872.64</u> | <u>1,298.32</u> |
| B CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of property, plant and equipment | (500.42) | (1,332.57) |
| Purchase/sale of investments | - | 127.15 |
| Sale of property, plant and equipment | 11.75 | - |
| Interest received | 113.82 | 140.22 |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(374.86)</u> | <u>(1,065.20)</u> |
| C CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from loans borrowed | 395.93 | 25.39 |
| Repayment of borrowings | (428.68) | - |
| Repayment of lease liabilities | (232.53) | - |
| Interest paid | (392.97) | (353.31) |
| Dividend paid | - | - |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(658.24)</u> | <u>(327.92)</u> |
| Net Increase in Cash and Cash Equivalents | <u>839.54</u> | <u>(94.80)</u> |
| Cash and cash equivalents as at beginning of the year | <u>50.40</u> | <u>145.20</u> |
| Cash and cash equivalents as at end of the year | <u>889.94</u> | <u>50.40</u> |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of

As per our report of even date
For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner



For and on behalf of the Board of Directors

[Signature]
Directors

Notes forming part of the financial statements for the year ended 31st March 2020

COMPANY INFORMATION

Ashapura International Limited (the 'Company') is a closely held public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company is engaged in the manufacturing of mining, manufacturing and trading of various minerals and its derivative products. The registered office of the Company is located at Jeevan Udhyog Building, 3rd Floor, D N Road, Fort, Mumbai - 400 001. The Company was a wholly owned subsidiary of ASQ Connect Limited - United Kingdom up to 28th February 2020 and subsequently, became a wholly owned subsidiary of Ashapura Minechem Limited - India (Refer Note No. 16)

The Ind AS financial statements ("the financial statements") were authorized for issue in accordance with the resolution of the Board of Directors on 10th July, 2020.

1 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation and measurement:

These financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company adopts operating cycle based on the project period and accordingly, all project related assets and liabilities are classified into current and non-current. The Company considers 12 months as normal operating cycle.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lacs except otherwise indicated.

1.2 Significant accounting policies:

a. System of Accounting

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of Companies Act, 2013 ("Act"), except in case of significant uncertainties.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. It is held primarily for the purpose of being traded:

- ✚ It is expected to be realized within 12 months after the reporting date;
- ✚ It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- ✚ All other assets are classified as non-current.
- ✚ A liability is classified as current when it satisfies any of the following criteria:
 - It is expected to be settled in the Company's normal operating cycle;
 - It is held primarily for the purpose of being traded;
 - It is due to be settled within 12 months after the reporting date;



- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- ✦ All other liabilities are classified as non-current.
- ✦ Deferred tax assets and liabilities are classified as non-current only.

b. Key Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Estimates and judgements are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

c. Property, Plant and Equipment

- (i) Property, plant and equipment are stated at historical cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any.
- (ii) Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as incurred.
- (iii) The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the statement of profit and loss.
- (iv) Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.
- (v) On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April 2016 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. 1st April 2016.
- (vi) The Company depreciates property, plant and equipment on written down value method except for building, plant & machinery, laboratory equipment and excavators where depreciation is provided on straight line method over the estimated useful life prescribed in Schedule II of the Companies Act, 2013 from the date the assets are ready for intended use after considering the residual value.



- (vii) Intangible assets mainly represent implementation cost for software and other application software acquired/developed for in-house use. These assets are stated at cost. Cost includes related acquisition expenses, related borrowing costs, if any, and other direct expenditure.
- (viii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

d. Investments Properties

- (i) Property which is held for long-term rental or for capital appreciation or both is classified as Investment Property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- (ii) Investment properties currently comprise of plot of lands and building.
- (iii) Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period in which the property is derecognised.

e. Other Investments and Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit or loss. In other cases, the transaction costs are attributed to the acquisition value of financial asset.

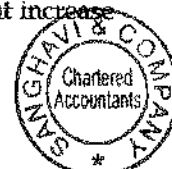
Financial assets are subsequently classified measured at –

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing financial assets.

Financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred the asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, financial asset is derecognised.

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.



f. Inventories

- (i) Raw materials and stores and spares are valued at weighted average cost including all charges in bringing the materials to the present location or net realizable value, whichever is lower.
- (ii) Finished and semi-finished goods are valued at the cost plus direct expenses and appropriate value of overheads or net realizable value, whichever is lower.
- (iii) Obsolete, slow moving and defective inventories are written off/valued at net realisable value during the year as per policy consistently followed by the Company.

g. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprises of balance with banks and cash on hand and short term deposits with an original maturity of three month or less, which are subject to insignificant risks of changes in value.

h. Trade Receivables

A receivable is classified as a trade receivable if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured net of any expected credit losses.

i. Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs.

j. Financial Liabilities

- (i) Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.
- (ii) Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.
- (iii) Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

k. Trade Payables

A payable is classified as a trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.



l. Revenue Recognition

- (i) Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.
- (ii) Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, return and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts.
- (iii) Accumulated experience is used to estimate and provide for the discounts/rights of return, using the expected value method.
- (iv) A return liability is recognised to expected return in relation to sales made corresponding assets are recognised for the products expected to be returned.
- (v) The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customers.

m. Mining Expenses

Expenses Incurred on mining including removal of overburden of mines are charged to the profit & loss statement as mining cost on the basis of quantity of minerals mined during the year since overburden of removal and mining are carried out concurrently and relatively within a short period of time. Mining restoration expenses are annually reviewed and provided for.

n. Foreign Currency Transactions

- (i) Items included in the financial statements are measured using the currency of primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.
- (ii) Foreign currency transactions are initially recorded in the reporting currency at foreign exchange rate on the date of the transaction.
- (iii) Monetary items of current assets and current liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. 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 the transaction.
- (iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates are recognised in the statement of profit or loss.

o. Employee Benefit Expenses

- (i) Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the



employees. These benefits are classified as defined contribution schemes as the Company has no further obligations beyond the monthly contributions.

- (ii) The Company provides for gratuity which is a defined benefit plan, the liabilities of which are determined based on valuations, as at the reporting date, made by an independent actuary using the projected unit credit method. Re-measurement comprising of actuarial gains and losses, in respect of gratuity are recognised in the other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.
- (iii) Other long term employee benefits comprise of compensated absences/leaves. The actual valuation is done as per projected unit credit method. Remeasurements as a result of experience adjustments and changes in actual assumptions are recognised in the Statement of Profit and Loss.

p. Leases

Company as lessee

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

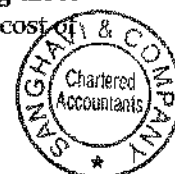
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

q. Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the Effective interest rate amortisation is included in finance costs. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of



such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the statement of profit and loss in the period in which they occur.

r. Taxation

- (i) Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- (ii) Deferred tax is determined by applying the balance sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each reporting date to reassess realisation. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

s. Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation (legal or constructive) as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

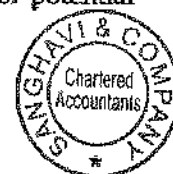
Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events. Contingent assets are neither recognised nor disclosed in the financial statements.

t. Impairment of Non Financial Assets

As at each reporting date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

u. Earnings Per Share

- (i) Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential



equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

- (ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

v. Custom Duty and GST:

Purchased of goods and fixed assets are accounted for net of GST input credits. Custom duty paid on import of materials is dealt with in respective material accounts.

w. Offsetting Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

x. Events After the Reporting Period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

y. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the operating decision makers. The decision makers regularly monitor and review the operating result of the whole Company. The activities of the Company primarily falls under a single segment of "Minerals and its derivative products" in accordance with the Ind AS 108 "Operating Segments".



Note 2

Property, plant and equipment

(₹ in lacs)

| Particulars | Land | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Total |
|--|--------|-----------|-------------------|------------------|----------------------|----------|----------|
| Gross carrying value (at deemed cost) | | | | | | | |
| As at 1st April, 2018 | 152.79 | 374.10 | 2,258.25 | 178.14 | 330.74 | 487.41 | 3,781.43 |
| Additions | 18.55 | 398.49 | 1,516.81 | 23.00 | 8.11 | 118.02 | 2,082.98 |
| Disposals | - | - | - | (0.86) | - | - | (0.86) |
| As at 31st March, 2019 | 171.34 | 772.59 | 3,775.06 | 200.28 | 338.85 | 605.43 | 5,863.55 |
| Additions | 29.04 | 103.35 | 767.11 | 11.61 | 6.08 | 39.91 | 957.10 |
| Disposals | - | - | (14.00) | (0.26) | - | - | (14.26) |
| As at 31st March, 2020 | 200.38 | 875.94 | 4,528.17 | 211.63 | 344.93 | 645.34 | 6,806.39 |
| Accumulated depreciation | | | | | | | |
| As on 1st April, 2018 | - | 17.31 | 679.31 | 145.87 | 201.67 | 189.78 | 1,233.94 |
| Depreciation charged | - | 17.56 | 315.16 | 20.46 | 35.43 | 115.99 | 504.60 |
| Disposals | - | - | - | (0.82) | - | - | (0.82) |
| As at 31st March, 2019 | - | 34.87 | 994.47 | 165.51 | 237.10 | 305.77 | 1,737.72 |
| Depreciation charged | - | 27.49 | 450.10 | 19.65 | 27.27 | 99.59 | 624.10 |
| Disposals | - | - | (2.47) | (0.11) | - | - | (2.58) |
| As at 31st March, 2020 | - | 62.36 | 1,442.10 | 185.05 | 264.37 | 405.36 | 2,359.24 |
| Net carrying value | | | | | | | |
| As at 31st March, 2019 | 171.34 | 737.72 | 2,780.59 | 34.77 | 101.75 | 299.66 | 4,125.83 |
| As at 31st March, 2020 | 200.38 | 813.58 | 3,086.07 | 26.58 | 80.56 | 239.98 | 4,447.15 |



Note 3

Right of use assets

| | | (₹ in lacs) |
|--------------------------|----------|-------------|
| Particulars | Building | Total |
| Gross carrying value | | |
| As at 31st March, 2019 | - | - |
| Additions | 532.94 | 532.94 |
| As at 31st March, 2020 | 532.94 | 532.94 |
| Accumulated depreciation | | |
| As at 31st March, 2019 | - | - |
| Depreciation charged | 220.54 | 220.54 |
| Disposals | - | - |
| As at 31st March, 2020 | 220.54 | 220.54 |
| Net carrying value | | |
| As at 31st March, 2020 | 312.40 | 312.40 |

Leases - Company as a lessee

(a) Set out below, are the carrying amount of the company's right-of-use assets and lease liabilities

| | | (₹ in lacs) |
|---------------------------|-------------------|------------------------|
| Particulars | Lease liabilities | Right to use of assets |
| As at April 01, 2019 | 639.28 | 532.94 |
| Amortisation for the year | - | 220.54 |
| Interest expense | 61.09 | - |
| Payments | 293.62 | - |
| As at March 31, 2020 | 406.75 | 312.40 |

(b) Set out below, are the amounts recognized in profit and loss:

| | (₹ in lacs) |
|---|------------------|
| Particulars | 31st March, 2020 |
| Amortisation expense of right-of-use assets | 220.54 |
| Interest expense on lease liability | 61.09 |
| Lease expense- short term and lease of low value assets | 88.56 |
| | 370.19 |



Note 4

Investment Properties

| | (₹ in lacs) | | |
|--------------------------|-------------|----------|--------|
| Particulars | Land | Building | Total |
| Gross carrying value | | | |
| As at 1st April, 2018 | 1.34 | 337.82 | 339.15 |
| Additions / transfer | - | - | - |
| Disposals | - | - | - |
| As at 31st March, 2019 | 1.34 | 337.82 | 339.15 |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at 31st March, 2020 | 1.34 | 337.82 | 339.15 |
| Accumulated depreciation | | | |
| As at 1st April, 2018 | - | 169.05 | 169.05 |
| Depreciation charged | - | 15.40 | 15.40 |
| Disposals | - | - | - |
| As at 31st March, 2019 | - | 184.45 | 184.45 |
| Depreciation charged | - | 15.40 | 15.40 |
| Disposals | - | - | - |
| As at 31st March, 2020 | - | 199.85 | 199.85 |
| Net Carrying Amount | | | |
| As at 31st March, 2019 | 1.34 | 153.37 | 154.70 |
| As at 31st March, 2020 | 1.34 | 137.97 | 139.30 |

i) Amount recognised in profit or loss for investment properties

(₹ in lacs)

| Particulars | 31st March 2020 | 31st March 2020 |
|---|--------------------|--------------------|
| Rental income | 14.52 | 14.52 |
| Direct operating expenses | - | - |
| Gain from investment properties before depreciation | 14.52 | 14.52 |
| Depreciation | 15.40 | 15.40 |
| Gain from investment properties | (0.88) | (0.88) |

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Fair Value

The carrying value of the investment properties at the end of the year have been deemed to be fair value determined on the basis of the judgement of the management.



Note 5
Intangible assets

(₹ in lacs)

| Particulars | Computer Software | Total |
|--|-------------------|-------|
| Gross carrying value (at deemed cost) | | |
| As at 1st April, 2018 | 25.08 | 25.08 |
| Additions | - | - |
| As at 31st March, 2019 | 25.08 | 25.08 |
| Additions | - | - |
| As at 31st March, 2020 | 25.08 | 25.08 |
| Accumulated depreciation | | |
| As on 1st April, 2018 | 16.00 | 16.00 |
| Depreciation charged | 4.39 | 4.39 |
| As at 31st March, 2019 | 20.39 | 20.39 |
| Depreciation charged | 2.22 | 2.22 |
| As at 31st March, 2020 | 22.61 | 22.61 |
| Net carrying value | | |
| As at 31st March, 2019 | 4.69 | 4.69 |
| As at 31st March, 2020 | 2.47 | 2.47 |



Note 6

Non-current Investment

(₹ in lacs)

| Particulars | Non-current | | Current | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |
| a. Investment in Government Securities | | | | |
| National Savings Certificate (under lien with sales tax/mining authorities) | 0.86 | 0.86 | - | - |
| Total non-current investments | 0.86 | 0.86 | - | - |
| Aggregate amount of quoted investments | - | - | - | - |
| Market value of quoted investments | - | - | - | - |
| Aggregate amount of unquoted investments | 0.86 | 0.86 | - | - |

Note 7

Loans

(₹ in lacs)

| Particulars | Non-current | | Current | |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |
| Unsecured, considered good | | | | |
| Loan to fellow subsidiary company | - | - | 300.00 | 300.00 |
| Employee loans | 18.69 | 24.60 | 20.79 | 19.81 |
| Other loans | - | - | 0.26 | 0.26 |
| Total loans | 18.69 | 24.60 | 321.05 | 320.07 |

Particulars of loan and advances in the nature of loans as required by regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| Name of the entity | Outstanding balances | | Maximum balance outstanding during the year | |
|--------------------|----------------------|--------------------|---|--------------------|
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |

Fellow Subsidiary:

| | | | | |
|---------------------------|--------|--------|--------|--------|
| Ashapura Claytech Limited | 300.00 | 300.00 | 300.00 | 300.00 |
| | 300.00 | 300.00 | 300.00 | 300.00 |



Note 8

Other financial assets

(₹ in lacs)

| Particulars | Non-current | | Current | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |
| Term deposits with maturity of more than 12 months | 613.43 | 348.20 | - | - |
| Interest receivables | | | 156.22 | 117.75 |
| Claims receivables | | | 979.15 | 441.57 |
| Total other financial assets | 613.43 | 348.20 | 1,135.37 | 559.32 |

* includes ₹ 58.10 lacs (previous year: ₹ 55.60) lacs lien for working capital finance from banks

Note 9

Deferred tax assets

(₹ in lacs)

| Particulars | 31st March 2020 | 31st March 2019 |
|---|--------------------|--------------------|
| Deferred tax assets/(liabilities) | | |
| On account of timing differences in | | |
| Depreciation on property, plant & equipment | (201.97) | (304.05) |
| Provision for doubtful debts | 190.38 | 194.26 |
| Disallowances u/s 40(a) and 43B of the Income Tax Act | 136.21 | 144.08 |
| | 124.62 | 34.29 |

Note 10

Other assets

(₹ in lacs)

| Particulars | Non-current | | Current | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |
| Trade advances to suppliers | - | - | 576.72 | 695.36 |
| Less: Provision for doubtful advances | - | - | 7.36 | 7.36 |
| | | | 569.36 | 688.00 |
| Capital advances | 23.50 | 26.45 | - | - |
| Security deposits | 634.15 | 516.21 | - | - |
| Prepaid expenses | - | - | 142.60 | 161.79 |
| Input credit receivables | - | - | 4,163.23 | 3,541.67 |
| Loans and advances to staff | - | - | 28.74 | 16.90 |
| Other advances | - | - | 38.20 | 13.52 |
| Total other assets | 657.65 | 542.65 | 4,942.13 | 4,421.88 |

Security deposits:

| | | | | |
|--|--------|--------|---|---|
| to erstwhile directors towards land and premises | 5.00 | 5.00 | - | - |
| to holding company towards premises | 1.00 | 1.00 | - | - |
| to the fellow subsidiaries | 370.00 | 370.00 | - | - |
| to associate company | 15.00 | 15.00 | - | - |



Note 11**Inventories**

(₹ in lacs)

| Particulars | 31st March | 31st March |
|---------------------|-----------------|------------------|
| | 2020 | 2019 |
| Stores & spares | 466.22 | 467.69 |
| Stock-in-trade | 171.15 | 559.44 |
| Raw materials | 1,516.77 | 1,136.22 |
| Finished goods | 2,560.54 | 3,027.27 |
| Semi finished goods | 3,593.67 | 4,507.71 |
| Packing materials | 517.94 | 442.57 |
| Total inventories | <u>8,826.29</u> | <u>10,140.90</u> |

Note 12**Trade Receivables**

(Unsecured, considered good unless otherwise stated)

(₹ in lacs)

| Particulars | 31st March | 31st March |
|------------------------------------|-----------------|-----------------|
| | 2020 | 2019 |
| Trade receivables | 10,525.76 | 8,585.58 |
| Less: Provision for doubtful debts | (756.46) | (548.57) |
| Total trade receivables | <u>9,769.30</u> | <u>8,037.01</u> |
| Above includes due from | | |
| - Fellow subsidiaries | 214.89 | 62.27 |
| - Associates | 2,096.60 | 19.54 |



Note 13

Cash and cash equivalents

(₹ in lacs)

| Particulars | 31st March 2020 | 31st March 2019 |
|---------------------------------|--------------------|--------------------|
| Balances with banks | 851.44 | 29.41 |
| Cash on hand | 38.49 | 20.99 |
| Total cash and cash equivalents | 889.93 | 50.40 |

Note 14

Other bank balances

(₹ in lacs)

| Particulars | 31st March 2020 | 31st March 2019 |
|------------------------------|--------------------|--------------------|
| Balances in current accounts | 239.68 | 225.49 |
| Total other bank balances | 239.68 | 225.49 |



Note 15

Income tax liabilities (net)

(₹ in lacs)

| Particulars | 31st March 2020 | 31st March 2019 |
|-------------|--------------------|--------------------|
|-------------|--------------------|--------------------|

Income tax assets (net)

The following table provides the details of income tax assets and liabilities :

| | | |
|--------------------------------|-----------------|-----------------|
| Income tax assets | 6,978.67 | 5,761.37 |
| Current income tax liabilities | 7,489.85 | 6,415.44 |
| Net balance | (511.18) | (654.07) |

The gross movement in the current tax :

| | | |
|--|-----------------|-----------------|
| Net current income tax asset at the beginning | 2,396.40 | 1,270.83 |
| Income tax paid (net of refunds) | 866.51 | (0.02) |
| Current income tax expense | 1,009.41 | 1,125.59 |
| Income tax on other comprehensive income | - | - |
| Net current income tax asset at the end | 2,253.51 | 2,396.40 |

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income tax is as below:

| | | |
|---|---------------|-----------------|
| Profit before tax | 3,732.02 | 3,236.52 |
| Applicable income tax rate | 25.168% | 34.94% |
| | 939.28 | 1,130.84 |
| Effect of expenses not allowed for tax purpose | 64.10 | (16.67) |
| Effect of income not considered for tax purpose | (8.37) | 3.83 |
| | 55.73 | (12.84) |
| Income tax expense charged to the Statement of Profit and Loss | 995.00 | 1,118.00 |



Note 16

Equity share capital

| Particulars | (₹ in lacs) | |
|---------------------------------------|--------------------|--------------------|
| | 31st March 2020 | 31st March 2019 |
| Authorised | | |
| 3,000,000 equity shares of ₹ 10 each | 300.00 | 300.00 |
| | <u>300.00</u> | <u>300.00</u> |
| Issued, Subscribed and Paid up | | |
| 3,000,000 equity shares of ₹ 10 each | 300.00 | 300.00 |
| | <u>300.00</u> | <u>300.00</u> |
| Total equity share capital | | |

Shares held by each shareholder holding more than five percent shares

| Name of Shareholder | As at 31st March 2020 | | As at 31st March 2019 | |
|---------------------------------------|-----------------------|--------------|-----------------------|--------------|
| | Nos. | % of holding | Nos. | % of holding |
| Ashapura Minechem Limited | 30,00,000 | 100.00 | 20 | - |
| ASQ Connect Limited - United Kingdom* | - | - | 29,99,980 | 100.00 |

Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a face value of ₹ 10 each ranking pari passu in all respect including voting rights and entitlement to dividend. Each holder of equity shares is entitled to one vote per share. Dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid to the shareholders.

The entire share capital of the Company was pledged by its parent, Ashapura Minechem Limited - India against its financial liabilities. The pledgee, ASQ Connect Limited - United Kingdom (UK), invoked the pledge and transferred these shares to its name on 18th September 2018. Consequent to this event, ASQ Connect Limited - UK became the parent of the Company w.e.f. 18th September 2018 till 28th February, 2020. Ashapura Minechem Limited, upon receiving an arbitration award in its favour and said invocation of pledge being set aside, again became holding company w.e.f. 28th February, 2020.



Note 17

Other equity

| | (₹ in lacs) | |
|---|--------------------|--------------------|
| Particulars | 31st March 2020 | 31st March 2019 |
| <u>General reserve</u> | | |
| Balance at the beginning of the year | 1,500.00 | 1,500.00 |
| Add: transferred from retained earnings | - | - |
| Balance at the end of the year | 1,500.00 | 1,500.00 |
| <u>Retained earnings</u> | | |
| Balance at the beginning of the year | 12,482.22 | 10,440.98 |
| Profit for the year | 2,764.90 | 2,041.24 |
| Adjustments on account of Ind AS 116 | (79.57) | - |
| Transfer to general reserve | - | - |
| Balance at the end of the year | 15,167.55 | 12,482.22 |
| <u>Other components of equity</u> | | |
| Remeasurement of defined benefit plans (net of tax) | (262.23) | (198.96) |
| | (262.23) | (198.96) |
| Total other equity | 16,405.32 | 13,783.26 |

General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under Companies Act, 2013.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less transfers to general reserve, dividends or other distributions paid to shareholders.

Net gain/(loss) on fair value of defined benefit plans: The Company has recognised remeasurement gains/(loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amount from this reserve to retained earning when the relevant obligations are derecognized.



Note 18
Borrowings

| Particulars | (₹ in lacs) | | | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Non-current | | Current | |
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |
| Secured | | | | |
| Hire purchase finance | 67.95 | 172.02 | - | - |
| Working capital finance from banks | - | - | 1,173.42 | 1,602.10 |
| | 67.95 | 172.02 | 1,173.42 | 1,602.10 |
| Unsecured | | | | |
| Intercompany deposits | 500.00 | - | - | - |
| | 500.00 | - | - | - |
| Total borrowings | 567.95 | 172.02 | 1,173.42 | 1,602.10 |

Note: Term loans and working capital finance from banks are secured by hypothecation of inventories, book debts and all present future tangible assets except plant and equipment. Hire purchase finance is against hypothecation of specific assets.

Working capital finance from banks are secured by first pari passu charge by way of hypothecation on all moveable assets, equitable mortgage of certain immovable assets and pledge of term deposits of ₹ 58.10 (previous year ₹ 55.60) lacs of the Company. These loans are also further jointly and severally guaranteed by one of the directors of the Company, a relative of directors as well as corporate guarantee of the holding Company.

Note 19
Other financial liabilities

| Particulars | (₹ in lacs) | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Non-current | | Current | |
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |
| Current maturities of long-term debt | - | - | 98.41 | 85.04 |
| Interest accrued and due on borrowings | - | - | 18.08 | - |
| Payables towards Service received | - | - | 41.16 | 44.26 |
| Current maturities of finance lease obligation | - | - | 297.75 | - |
| Lease liabilities | 109.00 | - | - | - |
| Total other financial liabilities | 109.00 | - | 455.41 | 129.30 |

Note 20
Provisions

| Particulars | (₹ in lacs) | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Non-current | | Current | |
| | 31st March 2020 | 31st March 2019 | 31st March 2020 | 31st March 2019 |
| Provision for leave encashment | 90.25 | 73.42 | 15.34 | 12.39 |
| Provision for mining restoration | 1,108.78 | 1,115.57 | - | - |
| Provision for bonus | - | - | 75.05 | 71.68 |
| Provision for district mineral foundation | - | - | 41.58 | 66.00 |
| Provision for gratuity | 132.49 | 245.69 | - | - |
| Total provisions | 1,331.52 | 1,434.68 | 131.97 | 150.07 |



Note 21

Other liabilities

(₹ in lacs)

| Particulars | Non-current | | Current | |
|----------------------------|-------------|------------|------------|------------|
| | 31st March | 31st March | 31st March | 31st March |
| | 2020 | 2019 | 2020 | 2019 |
| Advances from customers | - | - | 860.07 | 909.88 |
| Payable for capital assets | - | - | 316.77 | 236.15 |
| Statutory liabilities | - | - | 170.55 | 165.75 |
| Other liabilities | - | - | 1,890.64 | 1,823.24 |
| Total other liabilities | - | - | 3,238.03 | 3,135.02 |

Note 22

Trade payables

(₹ in lacs)

| Particulars | Current | |
|---|------------|------------|
| | 31st March | 31st March |
| | 2020 | 2019 |
| Trade payables | | |
| Total outstanding due of Micro and Small Enterprises | 5.21 | - |
| Total outstanding due of creditors other than Micro and Small Enterprises (refer no.37) | 8,371.38 | 8,247.12 |
| Total trade payables | 8,376.59 | 8,247.12 |



Note 23

Revenue from operations

| (₹ in lacs) | | |
|-------------------------------------|-----------|-----------|
| Particulars | 2019-2020 | 2018-2019 |
| Sale of Products | | |
| Export sales | 29,179.98 | 24,262.13 |
| Domestic sales | 15,569.99 | 17,038.28 |
| | 44,749.97 | 41,300.41 |
| Other Operating Revenue | | |
| Freight received on sales | 137.91 | 107.03 |
| Export incentives, credits & others | 2.89 | 0.16 |
| Total revenue from operations | 44,890.77 | 41,407.60 |

Note 24

Other income

| (₹ in lacs) | | |
|--|-----------|-----------|
| Particulars | 2019-2020 | 2018-2019 |
| Interest receipts | 113.82 | 140.22 |
| Lease rent receipts | 15.72 | 15.72 |
| Profit on sale of investment | - | 1.65 |
| Gain on foreign currency fluctuation | 777.06 | 176.45 |
| Miscellaneous income | 3.32 | 1.77 |
| Profit on sale of property, plant & equipments (net) | 0.07 | - |
| Total other income | 909.99 | 335.81 |

Note 25

Cost of materials consumed

| (₹ in lacs) | | |
|---------------------------------|-----------|-----------|
| Particulars | 2019-2020 | 2018-2019 |
| Raw materials consumed | | |
| Opening stock | 1,136.22 | 939.58 |
| Add: Purchases | 13,574.41 | 12,079.45 |
| | 14,710.63 | 13,019.03 |
| Less: Closing stock | 1,516.77 | 1,136.22 |
| | 13,193.86 | 11,882.81 |
| Packing material consumed | | |
| Opening stock | 442.57 | 393.25 |
| Purchases | 1,844.88 | 1,910.80 |
| | 2,287.45 | 2,304.05 |
| Less: Closing stock | 517.94 | 442.57 |
| | 1,769.51 | 1,861.48 |
| Rent and royalty | 355.06 | 952.34 |
| Mining expenses | 1,572.09 | 3,396.74 |
| Total cost of material consumed | 16,890.52 | 18,093.37 |



Note 26

Changes in inventories

(₹ in lacs)

| Particulars | 2019-2020 | 2018-2019 |
|------------------------|-----------|------------|
| Closing Stock | | |
| Finished goods | 2,560.54 | 3,027.27 |
| Stock-in-trade | 171.15 | 559.44 |
| Semi finished goods | 3,593.67 | 4,507.71 |
| | 6,325.35 | 8,094.42 |
| Opening Stock | | |
| Finished goods | 3,027.27 | 91.13 |
| Stock-in-trade | 559.44 | 2,310.10 |
| Semi finished goods | 4,507.71 | 4,114.68 |
| | 8,094.42 | 6,515.91 |
| Changes in inventories | 1,769.07 | (1,578.51) |

Note 27

Employee benefit expenses

(₹ in lacs)

| Particulars | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Salaries, bonus and allowances | 3,051.40 | 2,662.05 |
| Directors' remuneration | 62.51 | 66.97 |
| Contribution to provident fund and other welfare funds | 72.00 | 161.08 |
| Staff welfare expenses | 157.25 | 145.33 |
| Total employee benefit expenses | 3,343.16 | 3,035.43 |



Note 28

Finance costs

| | (₹ in lacs) | |
|-----------------------|-------------|-----------|
| Particulars | 2019-2020 | 2018-2019 |
| Interest | | |
| Banks | 245.62 | 264.28 |
| Income Tax | 65.07 | 67.43 |
| Others | 82.28 | 21.60 |
| | 392.97 | 353.31 |
| Other Borrowing Costs | 22.23 | 26.13 |
| Total finance costs | 415.20 | 379.44 |

Note 29

Depreciation and amortisation expenses

| | (₹ in lacs) | |
|-------------------------------------|-------------|-----------|
| Particulars | 2019-2020 | 2018-2019 |
| Depreciation on tangible assets | 860.04 | 520.00 |
| Depreciation on intangible assets | 2.22 | 4.39 |
| Total depreciation and amortisation | 862.26 | 524.39 |



Other expenses

(₹ in lacs)

| Particulars | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| <u>Manufacturing Expenses</u> | | |
| Power & Fuel | 1,730.98 | 1,608.70 |
| Machinery repairs and maintenance | 31.32 | 33.51 |
| Stores and spares | 489.86 | 598.26 |
| Carriage inward | 6.72 | 32.01 |
| Research and development expenses | 150.00 | 150.00 |
| Grinding, activation and equipment hire charges | 8.48 | 20.22 |
| Other expenses | 893.31 | 1,094.71 |
| | <u>3,310.67</u> | <u>3,537.41</u> |
| <u>Selling and Distribution Expenses</u> | | |
| Sales commission | 27.10 | 294.75 |
| Export freight and insurance | 4,342.38 | 4,788.39 |
| Export and other shipment expenses | 5,807.87 | 5,779.34 |
| | <u>10,177.35</u> | <u>10,862.48</u> |
| <u>Administrative and Other Expenses</u> | | |
| Advertisement and business promotion | 67.96 | 75.91 |
| Office rent, restoration and maintenance expenses | 88.56 | 176.48 |
| Travelling and conveyance expenses | 218.87 | 295.50 |
| Insurance premiums | 57.71 | 30.38 |
| Repairs to buildings & others | 72.87 | 86.15 |
| Legal and professional fees | 201.44 | 162.00 |
| Corporate social responsibility expenses | 110.33 | 121.47 |
| Donations | 116.10 | 47.70 |
| Bad debts and provision for doubtful advances | 353.23 | 513.76 |
| Bank discount, commission and other charges | 75.46 | 97.09 |
| Payment to auditors | 26.73 | 24.16 |
| Directors sitting fees | 6.75 | 5.50 |
| Rates & taxes | 84.93 | 47.73 |
| Loss on sale of property, plant & equipments (net) | - | 0.04 |
| Miscellaneous expenses | 542.26 | 541.45 |
| | <u>2,023.20</u> | <u>2,225.32</u> |
| Total other expenses | <u>15,511.22</u> | <u>16,625.21</u> |



Expenditure towards Corporate Social Responsibility (CSR) activities

| | | |
|--|---------------|---------------|
| Gross amount required to be spent by the Company during the year | 75.18 | 88.44 |
| Amount spent in cash during the year | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 110.33 | 121.47 |
| | <u>110.33</u> | <u>121.47</u> |

Payments to auditors

| | | |
|---------------------------|--------------|--------------|
| Audit fees | 17.00 | 15.00 |
| Tax audit fees | 3.00 | 2.50 |
| Other Services | 4.63 | 4.21 |
| Reimbursement of expenses | 2.10 | 2.45 |
| | <u>26.73</u> | <u>24.16</u> |

Note 31

Earning per share

| Particulars | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Profit for the year (₹) | 2,764.90 | 2,041.24 |
| Weighted average number of shares (Nos) | 30,00,000 | 30,00,000 |
| Earnings per share (Basic and Diluted) (₹) | 92.16 | 68.04 |
| Face value per share (₹) | 10.00 | 10.00 |



Note 32

Fair value measurement

i. Financial instruments by category

(₹ in lacs)

| Particulars | 31st March 2020 | | | | 31st March 2019 | | | |
|---|-----------------|-------|------------------|------------------|-----------------|-------|------------------|------------------|
| | FVPL | FVOCI | Amortised cost | Fair Value | FVPL | FVOCI | Amortised cost | Fair Value |
| Financial assets | | | | | | | | |
| Investments | - | - | 0.86 | 0.86 | - | - | 0.86 | 0.86 |
| Trade receivables | - | - | 9,769.30 | 9,769.30 | - | - | 8,037.01 | 8,037.01 |
| Loans - non current | - | - | 18.69 | 18.69 | - | - | 24.60 | 24.60 |
| Loans - current | - | - | 321.05 | 321.05 | - | - | 320.07 | 320.07 |
| Other financial assets - non current | - | - | 613.43 | 613.43 | - | - | 348.20 | 348.20 |
| Other financial assets - current | - | - | 1,135.37 | 1,135.37 | - | - | 559.32 | 559.32 |
| Cash and cash equivalents | - | - | 889.93 | 889.93 | - | - | 50.40 | 50.40 |
| Other bank balances | - | - | 239.68 | 239.68 | - | - | 225.49 | 225.49 |
| Total financial assets | - | - | 12,988.31 | 12,988.31 | - | - | 9,565.95 | 9,565.95 |
| Financial liabilities | | | | | | | | |
| Borrowings | | | | | | | | |
| Long term borrowings* | - | - | 666.37 | 666.37 | - | - | 257.06 | 257.06 |
| Short term borrowings | - | - | 1,173.42 | 1,173.42 | - | - | 1,602.10 | 1,602.10 |
| Trade payables | - | - | 8,376.59 | 8,376.59 | - | - | 8,247.12 | 8,247.12 |
| Other financial liabilities-non current | - | - | 109.00 | 109.00 | - | - | - | - |
| Other financial liabilities-current | - | - | 356.99 | 356.99 | - | - | 44.26 | 44.26 |
| Total financial liabilities | - | - | 10,682.37 | 10,682.37 | - | - | 10,150.54 | 10,150.54 |

*including current maturities of long term debt



Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk.

| Risk | Exposure arising from | Measurement | Management |
|----------------|---|-------------------------------|---|
| Credit Risk | Cash and cash equivalents, financial assets and trade receivables | Credit ratings Aging analysis | Diversification of counter parties, investment limits, check on counter |
| Liquidity Risk | Other liabilities | Maturity analysis | Maintaining sufficient cash/cash equivalents and marketable securities |
| Market Risk | Financial assets and liabilities not denominated in INR | Sensitivity analysis | Constant evaluation and proper risk management policies |

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

A. Credit risk

Credit risk refers to the risk of a counter party default on its contractual obligation resulting into a financial loss to the Company. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables from group companies and others.

In respect of trade receivables, the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables in accordance with the expected credit loss (ECL) policy of the Company. The Company regularly reviews trade receivables and necessary provisions, whenever required, are made in the financial statements.

B. Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The table below provides details of financial assets:

The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

(₹ in lacs)

| Particulars | Less than or equal to | more than | Total |
|--|-----------------------|-----------|-----------|
| | one year | one year | |
| Liquidity exposure as on 31st March 2020 | | | |
| Financial Assets | | | |
| Non current investment | - | 0.86 | 0.86 |
| Trade receivables | 9,769.30 | - | 9,769.30 |
| Loans | 321.05 | 18.69 | 339.73 |
| Other financial assets | 1,135.37 | 613.43 | 1,748.81 |
| Cash and cash equivalents | 889.93 | - | 889.93 |
| Other bank balances | 239.68 | - | 239.68 |
| Total financial assets | 12,355.33 | 632.98 | 12,988.31 |
| Financial Liabilities | | | |
| Long term borrowings | 98.41 | 567.95 | 666.37 |
| Short term borrowings | 1,173.42 | - | 1,173.42 |
| Trade payables | 8,376.59 | - | 8,376.59 |
| Other financial liabilities | 356.99 | 109.00 | 465.99 |
| Total financial assets | 10,005.42 | 676.95 | 10,682.37 |
| * including current maturities of long term debt | | | |



| | | | |
|--|----------|--------|-----------|
| Liquidity exposure as on 31st March 2019 | | | |
| Financial Assets | | | |
| Non current investment | 0.86 | - | 0.86 |
| Trade receivables | 8,037.01 | - | 8,037.01 |
| Loans | 320.07 | 24.60 | 344.67 |
| Other financial assets | 559.32 | 348.20 | 907.52 |
| Cash and cash equivalents | 50.40 | - | 50.40 |
| Other bank balances | 225.49 | - | 225.49 |
| Total financial assets | 9,193.15 | 372.80 | 9,565.95 |
| Financial Liabilities | | | |
| Long term borrowings | 85.04 | 172.02 | 257.06 |
| Short term borrowings | 1,602.10 | - | 1,602.10 |
| Trade payables | 8,247.12 | - | 8,247.12 |
| Other financial liabilities | 44.26 | - | 44.26 |
| Total financial assets | 9,978.52 | 172.02 | 10,150.54 |

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Company has several balances in foreign currency and consequently, the Company is exposed to foreign exchange risk. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings, wherever possible.

b) Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in lacs)

| Particulars | Increase/decrease in basis points | Effect on profit before tax |
|------------------|-----------------------------------|-----------------------------|
| 31st March, 2020 | +100 | 11.73 |
| | -100 | (11.73) |
| 31st March, 2019 | +100 | 16.02 |
| | -100 | (16.02) |



Company's exposure to foreign currency risk at the end of each reporting period is as under:

c) Exposure in foreign currency -Hedged The Company has no hedged foreign currency exposure at the end of the relevant period.

d) Exposure in foreign currency - Unhedged

| | (in lacs) | |
|-------------|-----------------|-----------------|
| Currency | 31st March 2020 | 31st March 2019 |
| Receivables | | |
| USD | 59.24 | 44.31 |
| EURO | 9.62 | 6.88 |
| GBP | 0.06 | - |
| CNY | - | 0.11 |
| MYR | - | 0.02 |
| Payables | | |
| USD | 16.10 | 24.00 |
| EURO | 5.00 | - |
| AED | 1.79 | - |
| CNY | - | 0.10 |

e) Foreign currency sensitivity

The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

| (₹ in lacs) | | | |
|---------------|----------|----------------|-----------------------------|
| Particulars | Currency | Change in rate | Effect on profit before tax |
| 31 March 2020 | USD | +5% | 163.06 |
| | USD | -5% | (163.06) |
| 31 March 2019 | USD | +5% | 70.29 |
| | USD | -5% | (70.29) |
| 31 March 2020 | EURO | +5% | 19.13 |
| | EURO | -5% | (19.13) |
| 31 March 2019 | EURO | +5% | 26.74 |
| | EURO | -5% | (26.74) |

Note 34

Capital management

The Company's capital management objective is to maximise the total shareholder returns by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the company.

The following table summarises the capital of the Company:

| | (₹ in lacs) | |
|----------------------------|-----------------|-----------------|
| Particulars | 31st March 2020 | 31st March 2019 |
| Total debt | 1,839.79 | 1,859.16 |
| Total equity | 16,705.32 | 14,083.26 |
| Total debt to equity ratio | 0.11 | 0.13 |



Note 35

Contingent Liabilities

(₹ in lacs)

| No. | Particulars | 31st March 2020 | 31st March 2019 |
|-----|---|-----------------|-----------------|
| 1 | Guarantees given on behalf of the holding company | 3.60 | 3.60 |
| 2 | In respect of guarantees given by the Company | 10,053.62 | 11,239.42 |
| 3 | In respect of disputed income tax liabilities | 592.99 | 377.93 |
| 4 | In respect of contracts remaining to be executed | 203.18 | 295.19 |
| 5 | Disputed liability in respect of mining penalty | 16.32 | 115.98 |
| 6 | In respect of other matters | - | 107.04 |

Note 36

Employee benefits

Liability for employee gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder. The Company makes contributions to approved gratuity fund.

(₹ in lacs)

| No. | Particulars | 31st March 2020 | 31st March 2019 |
|-----|-------------|-----------------|-----------------|
|-----|-------------|-----------------|-----------------|

Amount recognised in balance sheet

| | | |
|--|-----------------|-----------------|
| Present value of funded defined benefit obligation | (656.26) | (523.21) |
| Fair value of plan assets | 523.77 | 277.52 |
| Net funded obligation | (132.49) | (245.69) |

Expense recognised in the statement of profit and loss

| | | |
|---|--------------|--------------|
| Current service cost | 36.41 | 27.47 |
| Past service cost | - | - |
| Expected return on plan assets | - | - |
| Interest on net defined benefit asset | 10.61 | 3.63 |
| Total expense charged to profit and loss Account | 47.02 | 31.10 |

Amount recorded as other comprehensive income

| | | |
|---|---------------|---------------|
| Opening amount recognised in OCI outside profit & loss Account | 304.84 | 176.35 |
| Remeasurements during the period due to: | | |
| Changes in financial assumptions | 86.86 | 125.97 |
| Actual return on plan assets less interest on plan assets | (2.31) | 2.52 |
| Closing amount recognised in OCI outside profit & loss account | 389.39 | 304.84 |

Reconciliation of net (liability)/asset

| | | |
|--|-----------------|-----------------|
| Opening net defined benefit (liability)/asset | (245.69) | (131.07) |
| Expense charged to profit and loss account | 47.02 | 31.10 |
| Amount recognised outside profit and loss account | 84.55 | 128.49 |
| Benefits paid | - | (204.39) |
| Employer contributions | (18.36) | (69.82) |
| Closing net defined benefit (liability)/asset | (132.49) | (245.69) |



| | | |
|--|---------|----------|
| Movement in benefit obligation | | |
| Opening of defined benefit obligation | 523.21 | 486.31 |
| Current service cost | 36.41 | 27.47 |
| Past Service Cost | - | - |
| Interest on defined benefit obligation | 40.60 | 31.09 |
| Actuarial loss/(gain) arising from change in financial assumptions | 35.15 | (1.02) |
| Benefits paid | (30.83) | (147.62) |
| Actuarial (Gain)/Losses on Obligation | 51.71 | 126.98 |
| Closing of defined benefit obligation | 656.25 | 523.21 |

| | | |
|---|---------|----------|
| Movement in plan assets | | |
| Opening fair value of plan assets | 277.52 | 355.24 |
| Return on plan assets excluding interest income | 2.31 | (2.52) |
| Interest income and other adjustments | 256.40 | 27.46 |
| Contributions by employer | 18.36 | 69.82 |
| Benefits paid | (30.83) | (172.48) |
| Closing of defined benefit obligation | 523.76 | 277.52 |

| | | |
|---------------------------------|------|------|
| Principal actuarial assumptions | | |
| Discount Rate | 6.87 | 7.76 |
| Salary escalation rate p.a. | 5.00 | 5.00 |
| Future salary increase | 5.00 | 5.00 |
| Rate of employee turnover | 4.00 | 4.00 |

Sensitivity analysis for significant assumption is as shown below:

(₹ in lacs)

| No. | Particulars | 31st March 2020 | 31st March 2019 |
|-----|----------------------------------|-----------------|-----------------|
| 1 | Discount Rate - 1 % increase | (39.24) | (31.88) |
| | Discount Rate - 1 % decrease | 44.26 | 36.02 |
| 2 | Salary - 1 % increase | 40.62 | 35.28 |
| | Salary - 1 % decrease | (37.40) | (32.11) |
| 3 | Employee Turnover - 1 % increase | 5.69 | 6.59 |
| | Employee Turnover - 1 % decrease | (6.30) | (7.34) |

The following are the expected future benefit payments for the defined benefit plan:

(₹ in lacs)

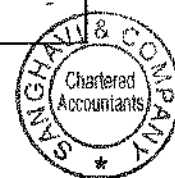
| No. | Particulars | 31st March 2020 | 31st March 2019 |
|-----|--|-----------------|-----------------|
| 1 | Within the next 12 months (next annual reporting period) | 64.26 | 56.87 |
| 2 | Between 2 and 5 years | 272.96 | 186.77 |
| 3 | Beyond 5 years | 788.91 | 751.01 |

Note 37

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lacs)

| No. | Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-----|---|------------------------|------------------------|
| | Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSMED Act) | | |
| 1 | Principal amount due to micro and small enterprise | 5.21 | - |
| 2 | Interest due on above | - | - |



Note 38

Related party transactions

As per Ind AS 24, Disclosure of transactions with related parties (as identified by the management) as defined in Ind AS are given below:

| Sr No. | Particulars | Country of incorporation |
|--|--|--|
| <u>(i) Holding Company</u> | | |
| 1 | Ashapura Minechem Limited * | India |
| 2 | ASQ Connect Limited** | United Kingdom |
| <u>(ii) Fellow Subsidiary Companies/ Associate</u> | | |
| 3 | Ashapura Aluminium Limited * | India |
| 4 | Ashapura Claytech Limited * | India |
| 5 | Sharda Consultancy Pvt. Ltd.* | India |
| 6 | Ashapura Consultancy Services Pvt. Ltd.* | India |
| 7 | Ashapura Minechem (UAE) FZE * | UAE |
| 8 | Ashapura Holdings (UAE) FZE * | UAE |
| 9 | Bombay Minerals Limited * | India |
| <u>(iii) Associates</u> | | |
| 10 | Ashapura Midgulf NV* | UAE |
| 11 | Orient Abrasives Limited * | India |
| 12 | Ashapura Exports Private Limited * | India |
| 13 | Ashapura Perfoclay Limited | India |
| 14 | Sharda Industrial Corporation * | India |
| 16 | Sohar Ashapura Chemicals LLC * | UAE |
| 17 | APL Valueclay Private Limited | India |
| <u>(iv) Key Managerial Personnel</u> | | |
| 18 | Mr. Chetan Shah*** | Non-Executive Chairman Whole Time Director & CEO/Independent Director |
| 19 | Smt. Geeta Nerurkar | Independent Director |
| 20 | Mr. Hemul Shah | Independent Director |
| 21 | Mr. Harish Motiwalla | Independent Director |
| 22 | Mr. Pundarik Sanyal | Independent Director |
| 23 | Leslie Steven Scheltens | Independent Director |
| <u>(v) Key Managerial Personnel</u> | | |
| 24 | Mr. Chetan Shah - HUF *** | Director is a Karta |

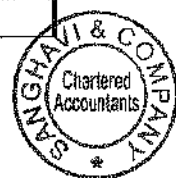
* upto 18th September, 2018 and w.e.f. 28th February, 2020

** w.e.f. 18th September, 2018 till 28th February, 2020

*** till 11th January, 2019



| (₹ in lacs) | | | |
|--|-------------------|----------------------------------|----------------------------------|
| Nature of transaction | Relationship | Year ended 31st March 2020 | Year ended 31st March 2019 |
| <u>1. Sales of materials</u> | | | |
| Ashapura Minchem Limited | Holding | 104.50 | 2,027.43 |
| Ashapura Minechem UAE FZE | Fellow Subsidiary | - | 304.92 |
| Ashapura Perfoclay Limited | Associate | 1,505.38 | 4.83 |
| Bombay Minerals Limited | Fellow Subsidiary | 4.03 | 0.46 |
| Orient Abrasives Limited | Associate | 6.81 | 29.96 |
| Ashapura Midgulf NV | Associate | 201.83 | 202.44 |
| Sohar Ashapura | Associate | - | 32.91 |
| Ashapura Holdings (UAE) FZE | Fellow Subsidiary | 13.24 | 50.82 |
| Total... | | 1,835.79 | 2,653.76 |
| <u>2. Purchase of materials</u> | | | |
| Ashapura Minchem Limited | Holding | 417.87 | 3,367.34 |
| Ashapura Perfoclay Limited | Associate | 5.55 | - |
| Orient Abrasives Limited | Associate | 0.29 | - |
| Total... | | 423.72 | 3,367.34 |
| <u>3. Interest received</u> | | | |
| Ashapura Claytech Limited | Fellow Subsidiary | 3.85 | 20.03 |
| <u>4. Rent paid</u> | | | |
| Ashapura Minchem Limited | Holding | 18.25 | 156.76 |
| Bombay Minerals Limited | Fellow Subsidiary | 0.27 | 3.00 |
| Ashapura Consultancy Services Private Limited | Fellow Subsidiary | 1.52 | 7.89 |
| Ashapura Perfoclay Limited | Associate | 12.75 | 8.50 |
| Sharda Consultancy Private Limited | Fellow Subsidiary | 0.80 | 4.12 |
| Total... | | 33.58 | 180.27 |
| <u>5. Reimbursement of administrative expenses (net)</u> | | | |
| Ashapura Minchem Limited | Holding | 44.99 | 333.50 |
| <u>6. Rent received</u> | | | |
| Ashapura Minchem Limited | Holding | 1.31 | 11.37 |
| <u>7. R & D charges</u> | | | |
| Ashapura Minchem Limited | Holding | 13.52 | - |
| <u>8. Loan repaid</u> | | | |
| Bombay Minerals Limited | Fellow Subsidiary | - | 28.03 |



| | | | |
|--------------------------------|---------|-------|---|
| <u>8. Guarantee Commission</u> | | | |
| Ashapura Minchem Limited | Holding | 18.06 | - |

Outstanding Balances:

1. Trade receivables

| | | | |
|-----------------------------|-------------------|-----------------|-----------------|
| Ashapura Perfoclay Limited | Associate | 560.21 | - |
| Orient Abrasives Limited | Associate | 1.87 | - |
| Ashapura Minchem Limited | Holding | - | 296.99 |
| Ashapura Minechem (UAE) FZE | Fellow Subsidiary | - | 62.27 |
| Ashapura Holdings (UAE) FZE | Fellow Subsidiary | 214.89 | - |
| Ashapura Midgulf NV | Associate | 1,485.76 | 19.54 |
| Sohar Ashapura | Associate | 48.76 | - |
| Prashansha Ceramics Limited | Fellow Subsidiary | - | - |
| ASQ Connect Limited (ASQ) | Holding | - | 2,500.00 |
| Total... | | 2,311.48 | 2,878.80 |

2. Security Deposit

| | | | |
|---|-------------------|---------------|---------------|
| Ashapura Minchem Limited | Holding | 1.00 | 1.00 |
| Ashapura Consultancy Services Private Limited | Fellow Subsidiary | 230.00 | 230.00 |
| Ashapura Perfoclay Limited | Associate | 15.00 | 15.00 |
| Sharda Consultancy Private Limited | Fellow Subsidiary | 140.00 | 140.00 |
| Total... | | 386.00 | 386.00 |

3. Trade Payables

| | | | |
|-------------------------------|-----------|-----------------|-------------|
| Ashapura Minchem Limited | Holding | 3,372.86 | - |
| Bombay Minerals Limited | Associate | 2.12 | 2.43 |
| Ashapura Perfoclay Limited | Associate | - | 3.85 |
| APL Valueclay Private Limited | Associate | 0.17 | - |
| Total... | | 3,375.14 | 6.28 |

4. Interest Receivable

| | | | |
|---------------------------|-------------------|--------|--------|
| Ashapura Claytech Limited | Fellow Subsidiary | 156.22 | 117.75 |
|---------------------------|-------------------|--------|--------|

5. Intercompany loans

| | | | |
|---------------------------|-------------------|--------|--------|
| Ashapura Claytech Limited | Fellow Subsidiary | 300.00 | 300.00 |
|---------------------------|-------------------|--------|--------|



- 39 In the last week of March 2020, an outbreak situation arose in India on account of COVID 19. The Company has considered such outbreak situation as subsequent event to the Balance Sheet date i.e., March 31, 2020 in terms of Ind AS 10 "Reporting on Event After Balance Sheet Date" and has assessed the operational and financial risk on going forward basis.

In assessing the impact on the recoverability of financial and non-financial assets, the extent to which the COVID 19 pandemic will impact the Company's operations and financial results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID 19 outbreak and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.

The impact on the operations and earnings/ cash flows of the Company due to COVID 19 outbreak may be assessed only after clarity on reopening of domestic and export customers manufacturing facility which may affect projection of estimated revenue from operations and earnings for the next year. Though, the management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

- 40 Balances with sundry creditors, sundry debtors and for loans and advances in few cases are subject to confirmations from the respective parties and reconciliations, if any. In absence of such confirmations, the balances as per books are relied upon by the auditors.
- 41 In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.
- 42 All the amounts have been stated in Indian Rupees in lacs, unless otherwise stated.
- 43 Previous year's figures has regrouped and rearranged, wherever necessary.

Signatures to Notes 1 to 43

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner



For and on behalf of the Board of Directors

Two handwritten signatures are shown, representing the Board of Directors.

Directors

Bhavnagar
July 10, 2020

Mumbai
July 10, 2020