



Sadhana Nitro Chem Limited

47th Annual Report 2019 - 2020



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BOARD OF DIRECTORS	Shri Asit D. Javeri	Executive Chairman
	Shri Arvind R. Doshi	Independent Director
	Shri Priyam S. Jhaveri	Independent Director
	Shri Pradeep N. Desai	Independent Director
	Shri Abhishek A. Javeri	Managing Director & CFO
	Smt Seema A. Javeri	Executive Director-Administration
	Shri. Amit M. Mehta	Independent Director

KEY MANAGERIAL PERSONNEL **Shri Nitin R. Jani** Company Secretary

BANKERS Citi Bank, Mumbai
HDFC Bank Ltd., Mumbai
STATE BANK OF INDIA, Mumbai & Roha

AUDITORS Jayesh Dadia & Associates LLP
Chartered Accountants
422, Arun Chambers
Tardeo, Mumbai - 400034.

REGISTERED OFFICE HIRA BAUG,
1st Floor, Kasturba Chowk (C.P. Tank), Mumbai- 400 004.
Phone : 022-23865629 Fax : 022-23887235.
E-mail : sadhananitro@sncl.com Website : www.sncl.com

CIN NO L24110MH1973PLC016698

FACTORY 47, M.I.D.C. Industrial Area, Roha,
Dist. Raigad, Maharashtra- 402 116.

**REGISTRAR AND
TRANSFER AGENT (RTA)** LINK INTIME INDIA PRIVATE LIMITED
(Formerly known as Intime Spectrum Registry limited)
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai- 400 083.
Phones :022-49186000 Fax : 022-49186060
E-mail : rnt.helpdesk@linkintime.co.in



NOTICE OF THE 47TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 47TH (FORTY-SEVENTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF SADHANANITRO CHEM LIMITED (THE COMPANY) WILL BE HELD ON FRIDAY, 25TH SEPTEMBER, 2020 AT 04.30 P.M. IST THROUGH VIDEO CONFERENCING/OTHER AUDIT VISUAL MEANS (VC) TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To consider and adopt the Audited Financial Statement (including the Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2020 and the reports of the Board of Directors ("the Board") and auditors thereon.

2. Appointment of Smt. Seema Asit Javeri as a director liable to retire by rotation.

To appoint a director in place of Smt. Seema Asit Javeri, who retires by rotation and, being eligible, seeks re-appointment.

Explanation : Based on the terms of appointment, office of executive directors are subject to retirement by rotation. Smt. Seema Asit Javeri, who was appointed on 2nd August, 2017, whose office is liable to retire at the ensuing AGM, being eligible, seeks re-appointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends her re-appointment.

Therefore, members are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution :

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Smt. Seema Asit Javeri (DIN: 01768936), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

SPECIAL BUSINESS:

3. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the payment of the remuneration of Rs.75,000/- (Rupees Seventy Five thousand only) plus reimbursement of out of pocket expenses at actuals plus applicable taxes and out of pocket expenses payable to M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791), who were appointed as "Cost Auditors" by Board of Directors of the Company on the recommendation of Audit Committee, to conduct the audit of Cost Records maintained by the Company for Financial Year ending March 31, 2021, be and is hereby ratified and approved.



RESOLVED FURTHER THAT the Board of Directors of the Company and/or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:
Hira Baug, 1st Floor
Kasturba Chowk, (C.P. Tank),
Mumbai - 400004
CIN: L24110MH1973PLC016698
E-mail: sadhananitro@sncl.com
Date: 29.07.2020

By Order of the Board
N.R. Jani
Company Secretary
Membership No: A4757



NOTES:

1. Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. The AGM shall be deemed to be held at the Registered Office of the Company at Hira Baug, 1st Floor, Kasturba Chowk (C. P. Tank), Mumbai, Maharashtra, 400004 IN
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal/e-voting portal.
6. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to the special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
7. NSDL will be providing facility for voting through remote e-Voting, for participation in the 47th AGM through VC/OAVM facility and e-Voting during the 47th AGM
8. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come-first-served basis
9. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager - NSDL at amitv@nsdl.co.in / 022-24994360.
10. The Company has appointed LinkIntime India Private Limited, RTA, C101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083 as Registrars and Share Transfer Agents for Physical Shares. The said (RTA) is also the Depository interface of the Company with both NSDL & CDSL. Following information of RTA is as follows: Telephone No. 022- 49186000, E-mailaddress:mt.helpdesk@linkintime.co.in Fax No. 022-49186060.
However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at its Registered Office Telephone No.022-23865629
Email: sadhananitro@sncl.com
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding



shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.

12. The Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, 18th September, 2020 to Friday, 25th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to sadhananitro@sncil.com
14. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and Link Intime India Private limited (RTA), or to the Company at its Registered Office in respect of their physical shares.
15. Members desiring any information are requested to write to the Company 10 days in advance
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.
17. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 47th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s). The Members who have not yet registered their e-mail addresses are requested to register the same with RTA/Depositories.
18. Pursuant to the provisions of Regulation 36 of Securities and Exchange Board of India(ListingObligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations")and Secretarial Standards issued by the Institute of Company Secretaries of India, a brief note on the background and the functional expertise of the Directors of the Company seeking re-appointment along with the details of other Directorships, memberships, chairmanships of Board Committees, shareholding and relationships amongst directors interseisset out in the Brief Resume appended to this Notice.
19. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut- off date i.e. 18th September, 2020.
20. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.



21. The e-voting period commences on Tuesday, September 22, 2020 (9:00 a.m. IST) and ends on Thursday, September 24, 2020 (5:00 p.m. IST). During this period, members holding share either in physical or dematerialized form, as on cut-off date, i.e. as on 18th September, 2020 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on 18th September, 2020.
22. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM facilitated by NSDL.
24. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Ms. Kumudini Bhalariao of MMJC & Co, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
25. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are participating in the AGM through Video Conferencing but have not cast their votes by availing the remote e-voting facility.
26. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The Result declared along with the report of the scrutinizer shall be placed on the website of the Company and on the website of NSDL the results shall simultaneously be communicated to the Stock Exchange (BSE), Mumbai.
28. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
29. Electronic Dispatch of Annual Report and Process for Registration of e-mail Id for obtaining



the Annual Report:

Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). In accordance with the Circulars issued by MCA and SEBI and owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith) due to COVID-19 pandemic situation such statements including the Notice of the 47th AGM are being sent through electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of the Meeting and the Annual Report 2019-20 is available on the Company's website www.sncl.com, website of the Stock exchanges i.e. BSE i.e., www.bseindia.com. The AGM Notice is also disseminated on the website of NSDL i.e. at www.evoting.nsdl.com.

30. Instructions for Members for participating in the AGM through VC/OAVM

I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at [] under members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Members login where the EVEN of Company will be displayed.

II. The Members can start joining in 30 (thirty) minutes before the scheduled time of AGM and it will be kept open for 15 (fifteen) minutes after the start of AGM.

III. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1000 Members on first come first served basis.

IV. User Guidelines/Compatibility for viewing of AGM:

- All you need is a computer with an Internet connection (high speed service such as DSL or cable works best) and speakers Compatible Browser list: Google Chrome 50 | Microsoft Edge | Internet Explorer 10 & above | Firefox | Safari | Opera
- Video Buffering/Video Stuck but not audible: Check on the Internet Connection, Check whether you have sufficient bandwidth for viewing the Same, To check whether if you have sufficient bandwidth for viewing the same, click on the system check tab or visit speed test.net Minimum Internet Speed should be 10 MBPS with the Upload and Download Ratio of 1:1.
- Allow third party cookies.
- You may also use a headset instead of speakers.
- Please refresh your browser (for laptop / desktop kindly press CTRL+F5)

31. Procedure to raise questions / seek clarifications with respect to Agenda of AGM:

- As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, Demat account number / folio number, email id, mobile number to sadhananitro@sncl.com Questions / queries received by the Company till 5:00 p.m. IST on Monday, 21st, September, 2020, shall only be considered and responded to during the AGM.



- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email to sadhananitro@sncl.com any time before 5:00 p.m. IST on Monday, 21st, September, 2020, mentioning their name, Demat account number/ folio number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

32. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, the Company is pleased to provide its members, as on the cut-off date being 18th September, 2020 the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice, at the 47th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

II. The facility for voting shall be made available at the AGM and the members attending the meeting through VC who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

III. The remote e-voting period commences on Tuesday, 22nd September, 2020 at 9:00 am and ends on Thursday, 24th September, 2020 at 5:00 P.M. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote by remote e-voting. The remote E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
 Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is



available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at

<https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

(a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.



(b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kumudiniparanjape@mmjc.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Registered Office:

Hira Baug, 1st Floor
Kasturba Chowk, (C.P. Tank),
Mumbai - 400004

CIN: L24110MH1973PLC016698

E-mail: sadhananitro@sncl.com

Date: 29.07.2020.

By Order of the Board

N.R. Jani

Company Secretary

Membership No: A4757



EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

The Board, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration of Rs. 75,000/- (Rupees Seventy Five thousand only) plus applicable taxes and out of pocket expenses to M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 3 of the Notice for approval by the shareholders.

Brief resume of Director seeking re-appointment:

Pursuant to provisions of SEBI (LODR) Regulations 2015 and Secretarial Standards on General Meetings issued by Institute of Company Secretaries of India, relevant particulars of Directors seeking re-appointment at this AGM are given here below:

Name of the Director	Seema A. Javeri
DIN	01768936
PAN	ACXPJ8722F
Nationality	Indian
Date of Birth / Age	20.10.1958 / 61 Yrs.
Date of original appointment	13.02.2014
Term of appoint	3 Years from 2nd August, 2017.
Designation	Executive Director (Administration)
Experience / Expertise	She has skill, experience and knowledge inter alia in the field of Administration.
Educational Qualifications	B.Sc.
Companies in which he / she holds Directorship	<ul style="list-style-type: none"> - Sadhana Nitro Chem Limited - Spidigo Net Private Limited - Manekchand Panachand Trading Investment Company Private Limited - Life Style Networks Limited



Membership / Chairmanship of Board Committees of the Company	Nil
Shareholding as on 31st March, 2020	36653
Relationship with other Directors and KMPs	She is wife of Mr. Asit D. Javeri, Executive Chairman and Mother of Abhishek A. Javeri, Managing Director & CFO
No. of board meetings attended during FY 2019-20	6 (Six)
Remuneration sought to be paid	On existing terms and conditions as per resolution approved by the members on 30th August, 2018.
Remuneration last paid	Rs. 1,68,00,000/-

Registered Office:

Hira Baug, 1st Floor
Kasturba Chowk, (C.P. Tank),
Mumbai - 400004

CIN: L24110MH1973PLC016698

E-mail: sadhananitro@sncl.com

Date: 29.07.2020.

By Order of the Board

N.R. Jani
Company Secretary
Membership No: A4757



BOARD'S REPORT

To
The Members of
SADHANA NITROCHEM LIMITED

The Board of Directors(hereinafter referred to as the Board) hereby submit the report of the Business and operations of the Company for the Financial Year ended 31st March, 2020. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS AND HIGHLIGHTS OF PERFORMANCE

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations (Net) & Other Income	12266	26,840	10802	26,827
Total Expense	9149	16,210	8568	16,141
Profit before Exceptional item and Taxation	3117	10,630	2234	10,686
Exceptional Items	—	—	—	—
Tax Expense	(768)	(3,099)	(769)	(3,103)
Profit/(Loss) after tax	2349	7,531	1465	7,583
Other Comprehensive Income	9	(8)	9	(8)
Total Comprehensive Income	2358	7,523	1474	7,575

2. REVIEW OF OPERATIONS:

The total revenue of your company for the financial year ending 31" March, 2020 has been Rs. 12266/- Lakhs as compared to Rs. 26,840/- Lakhs in the previous years, registering a decline of about 54%.

Because of your company's product quality standards, we have been able to maintain steady relationships with our longstanding customers along with building relationships with several new customers. The demand was sluggish. This resulted in decline in turnover.

The result of all the above factors, registering lower turnover, and Profit after Tax (PAT) of Rs. 2349/- (PY. Rs. 7,531/-lakhs) from normal operation registering decline of about 69%.

The company has a satisfactory order book position. The cost control at every stage of operations resulted in product cost improvement.

The EBIDTA from normal operation for 2019-20 was Rs. 3924 lakhs (PY EBIDTA of Rs. 12102 lakhs) registering decline of about 68%.

3. DIVIDEND:

Yours Directors with a view to conserve liquidity in the current Pandemic situation do not



recommend any dividend on equity share for financial year 2019-20.

4. BONUS:

Your Directors considering the reserves and surplus as on 31st March, 2020 subject to approval of members recommend issue of Bonus in the Ratio of one Bonus shares for every two existing equity shares held on the Record Date by Capitalisation of Reserves.

5. EXPANSIONS:

The company, since resuming it's manufacturing of colourformers, has emerged into a strong player in the colourformer space and one of only two company's outside of China offering the product. As a key demand for the coating of thermal paper, it is an industry that offers stability of supply.

Due to the pandemic situation across the world the expansion into colourformer and other new products have been delayed by 9 months. The expansion activity has since resumed and your Company will be adding additional Colourformer capacity as well as a few other products over the next three years.

6. EXPORTS:

With the increase in competitiveness of your company on a global front, it has stable exports to across Europe, Japan, Korea, North and South America, and with a significant quantity being sold to China.

While our local market is growing steadily Company's turnover is still focused on the export market with this year's exports being total of Rs. 8509 lakhs compared to last year's Rs. 19282 lakhs registering a decline of about 56%.

Exports constituted about 73% of the overall revenue from operation including other income. Company's Exports are well diversified in terms of product range as well as the Countries of Export.

7. OUTLOOK:

Your company has strong long term fundamentals. The company has reduced all its borrowings, and is debt free. It is looking towards leveraging its unique product offering along with its competitive strengths towards a long term diverse sales pipeline with sustainable cash flows for the foreseeable future. Your company is looking to utilize its cashFlow towards expanding product lines, diversify into downward derivatives of its existing products to create a maintainable long term revenue pipeline and to further backward integrate to remove external dependencies.

8. DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of



details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time including any amendment thereto or re-enactment thereof for the time being in force), Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the.

Notes No. 5 A (i) to the Audited Standalone Financial Statements provided in this Annual Report.

10. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India form part of this Annual Report

11. UNPAID DIVIDEND & IEPF:

The Company is not required to transfer any amount to the Investor Education & Protection Fund (IEPF) and does not have unclaimed dividend which remains to be transferred to Unpaid Dividend Account.

12. TRANSFER TO RESERVES:

The Board of Directors have not appropriated and transferred any amount to any Reserve and the Board has decided to retain the entire amount in profit and Loss account.

13. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The performance and financial position/ salient features of the Financial Statement of each of the subsidiaries, associates and joint venture companies for the year ended 31st March, 2020 is given in Form AOC-I which is annexed hereto and marked as Annexure -I forms part of this Report.

As on 31st March, 2020 the Company has two wholly owned subsidiary viz. AnuChem B.V.B.A.

Belgium a Foreign Subsidiary, and Spidigo Net Private Limited, an Indian Subsidiary Audited Financial Statement of the said subsidiaries is considered for the purpose of preparing Consolidated Financial statements.

Your Company proposes merger (by absorption) of its wholly owned subsidiary M/s. Spidigo Net Private Limited with the company subject to the approval of shareholders and on such terms and conditions contained in the order and approval of respective NCLT and approval of all such other authority as applicable.



14. RELATED PARTY TRANSACTIONS:

a) The particulars of contracts or arrangements with related parties:

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website <http://www.sncl.com>.

Further, Related Party Transactions are placed on a quarterly basis before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is annexed hereto and marked as Annexure - II and forms part of this Report.

b) Disclosure of Related Party Transaction with Person or Entity belonging to Promoter & Promoter Group:

The Company has not made any transaction(s) with Manekchand Panachand Trading Investment Co Private Limited, (Being Holding Company) an Entity belonging to Promoter or Promoter Group that holds 10% or more shareholding of the Company:

c) Disclosure of Loans and advances in nature of Loan to Subsidiaries and Associate of the Company:

Sr. No	Particulars	Subsidiaries & Associate Company(ies)
1.	Spidigo Net Pvt. Ltd. Rs. 6,62,65,983/-	Subsidiary

15. INSURANCE:

The assets of your Company are adequately insured. Your Company has also taken out suitable cover for Public Liability.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation designing and documentation of Policy on Internal Financial Control are in place and implemented which is reviewed periodically and modified suitably to ensure controls.

The internal audit is carried out by a separate firm of Chartered Accountants. The periodical audit reports, including significant audit observations and corrective actions there-on, are presented to the Chairman of the Audit Committee.



17. CHANGES IN SHARE CAPITAL:

During the year to improve affordability and liquidity, Sub-divided the equity shares of Rs.5/- each into 5 (five) fully paid Equity Shares of Rs. 1/- each along with consequential alteration in memorandum of association of the Company, which was approved by members through Postal Ballot.

18. MATTERS RELATED TO DIRECTORS:

a) Declarations by Independent Directors:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (LODR) Regulations, 2015.

b) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director. The same was discussed in the Board meeting held subsequently to the meeting of the independent directors, at which the performance of the Board, its Committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

c) Remuneration Policy:

The Board has, on their recommendation of the Nomination & Remuneration Committee framed policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

d) Number of Board Meetings:

The Board met Six times during the financial year ended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 the details of which are given in the Corporate Governance Report. The intervening gap between any two Meetings was within the period prescribed by the Companies Act, 2013 and the Listing Regulation.

e) Board of Directors and Key Managerial Persons:

i) Appointment

During the financial year 2019-20 none of the Director was appointed.



ii) Resignation;

No Director and Key Managerial Personnel of the Company have resigned during the financial year ending 31st March, 2020.

iii) Re-appointment of Independent Directors for Five years;

1. Mr. Priyam S. Jhaveri (DIN No. 00045038) was re-appointed as an Independent Director on 11th September, 2019.

2. Mr. Arvind R.Doshi (DIN No. 00015293) was re-appointed as an Independent Director on 11th September, 2019.

3. Mr. Pradeep N.Desai (DIN No. 01602942) was re-appointed as an Independent Director on 11th September, 2019.

iv) Retirement by Rotation:

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation. As per the provisions of Section 152 of the Companies Act, 2013, Mrs. Seema Asit Javeri retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

(a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;

(b) they have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year and of the profit of your Company for that period;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the Annual Accounts on a going concern basis;

(e) They have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

20. COMMITTEES OF BOARD OF DIRECTORS OF THE COMPANY:

Following are the Committees of Board of Directors of the Company. Composition of the following Committees are also hosted on the website of the Company at <http://www.sncl.com/newpdf/policy/Composition%20of%20Committees%20%20Board>.

**a) Audit Committee:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The details of Composition and meetings Audit Committee held has been mentioned in the Corporate Governance Report.

b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The details of composition of the Committee and the number of meetings held by the committee are mentioned in the Corporate Governance Report.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria / gist are defined in the Remuneration policy framed for appointment of and payment of remuneration to the Directors of the Company. The remuneration policy is stated in the Corporate Governance Report.

c) Stakeholders Relationship Committee:

The Board of Directors of the company has constituted, pursuant to Section 178 of the Companies Act, 2013; the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee.

The details of composition of the Committee and the number of meetings held by the committee are mentioned in the Corporate Governance Report.

d) Corporate Social Responsibility Committee:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under:

Mr. Asit Dhankumar Javeri, Chairman,
Mr. Arvind Raoji Doshi, Member and
Mr. Priyam Shantilal Jhaveri, Member

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee.

The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link provided hereinbelow: <http://www.sncl.com/financials.htm>

21. VIGIL MECHANISM / WHISTLE BLOWER AND RISK MANAGEMENT POLICY:

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of SEBI



(LODR) Regulations 2015 the Company already has in place "Vigil Mechanism Policy" (Whistle Blower Policy) for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company also adopted Risk Assessment Procedure. The details of the same are mentioned in the Corporate Governance Report.

22. INTERNAL COMPLAINT COMMITTEE FOR PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company had constituted a committee called as Internal Complaint Committee for prevention and prohibition of Sexual Harassment of woman at workplace which consists of following members:

- | | |
|------------------------------|---------------|
| a. Mrs. Seema Asit Javeri | - Chairperson |
| b. Mrs Philomena Fernandes | - Member |
| c. Mrs. Jotsana Tushar Parab | - Member |
| d. Mrs. Mamta Jatin Shah | - Member |

During the year under review no complaints were received by the Committee.

23. AUDITORS & REPORTS:

a) Statutory Auditors of the Company and their observations on accounts for the year ended 31st March, 2020:

At the 46th Annual General Meeting held on August 2, 2017, the Members approved appointment of M/s. Jayesh Dadia & Associates LLP, Chartered Accountants ((Firm registration No: 121142W /W100122)) to hold office from the conclusion of the 44th Annual General Meeting until the conclusion of the 51th Annual General Meeting to be held for the financial year 2024.

b) Cost Auditors of the Company:

The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791) as the cost auditors of the Company for the year ending March 31, 2021 subject to approval of members in the ensuing Annual General Meeting.

c) Secretarial Auditors of the Company:

The Board on the recommendation of the Audit Committee appointed M/s. Makarand M. Joshi & Co., Company Secretaries in Practice, Mumbai, as Secretarial Auditor to conduct Secretarial



Audit of the Company for the Financial Year 2019-20 and their report is annexed hereto and marked as Annexure - III Observation made by Secretarial Auditor as per said report along with explanation made by Board is given below:

Sr. No	Particulars Of Observation	Explanation By Board
1.	The Company has not maintained Structured Digital Database as required under Regulation 3 of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company is in process to finalize and implement the same.	The same has been duly considered by the Board of Directors at their meeting held on 29th of July 2020 and suitable steps have been initiated to comply with this requirement.
2.	There are two instances of Contra Trade and Trading in Window Closure period, the Company is in process of reporting the same to Securities and Exchange Board of India/ Stock Exchange	The same has been duly considered by the Audit Committee of the Company at their meeting held on 29th of July 2020 and the company is in process of reporting the same to Securities and Exchange Board of India/ Stock.
3.	The Company has not filed form MGT-14 for borrowings in foreign currency term loan of Rs. 30,00,00,000/- and for borrowings in working capital facility from Citi Bank Limited for an amount of Rs. 55,00,00,000/-	The Company has identified the same and suitable steps have been taken to file the Forms under Companies Fresh Start Scheme (CFSS) 2020 under General Circular No.12/2020 issued by Ministry of Corporate Affairs dated 30/03/2020.
4.	The Company has filed quarterly Corporate Governance Report in delay for the quarter ended 31st March, 2019 and 30th June, 2019 as per Regulation 27 of the SEBI Listing Regulations.	The delays have occurred due to unavoidable circumstances and the Company has strived to avoid such delay thereafter.
5.	The Company has not filed form IEPF 2 for statement of unpaid and unclaimed amounts of dividend of last seven financial years.	The Company has identified the same and suitable steps have been taken to file the Forms under Companies Fresh Start Scheme (CFSS) 2020 under General Circular No.12/2020 issued by Ministry of Corporate Affairs dated 30/03/2020.

The Board has also appointed M/s. MMJB & Associates LLP Company Secretaries in Practice, Mumbai as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2020-21.



The Board has also appointed M/s. MMJB & Associates LLP Company Secretaries in Practice, Mumbai as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2020-21.

d) Reporting of frauds by statutory auditors:

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143 (12) of the Act read with Companies (Accounts) Rules, 2014.

e) Code for prevention of Insider Trading:

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at <http://www.sncl.com/newpdf/policy/Code%20of%20Conduct.pdf>

24. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the corporate governance report together with Auditor report on the compliance on the same is annexed hereto and marked as Annexure - IV and the Management Discussion and Analysis report is annexed hereto and marked as Annexure - V. Business Responsibility Report is annexed to and marked as ANNEXURE-VI

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

26. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2020 made under the provisions of Section 92 (3) of the Act is attached as Annexure - VIII which forms part of this Report.

The Annual Return

27. SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.



28. INDUSTRIAL RELATIONS

The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full cooperation from the employees. The Company continues to focus on extensive training and developmental activities and efficiency and quality improvement initiatives. The total number of employees as on 31st March, 2020 was 231.

29. PARTICULARS OF EMPLOYEES:

Employees of the Company are drawing Remuneration in excess of the limits prescribed by the Companies Act, 2013. The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and marked as Annexure - IX.

30. SIGNIFICANT OR MATERIAL ORDERS PASSED AGAINST THE COMPANY

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2018-19 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

31. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:

There have been no material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. since March 31, 2020 and the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of your Company.

32. LEGAL AND REGULATORY

Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes.

Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. We closely monitor and review our practices to ensure that we remain compliant with relevant laws and obligations.

33. SYSTEM AND INFORMATION

Your Company's operations are increasingly dependent on IT systems and the management of information. Increasing digital interactions with customers, suppliers and consumers place even greater emphasis on the need for secure and reliable IT systems and infrastructure, and careful management of the information that is in our possession.

The cyber-attack threat of un-authorised access and misuse of sensitive information or



disruption to operations continues to increase. To reduce the impact of external cyber-attacks impacting our business, we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. Our employees are trained to understand these requirements.

34. IMPACT OF COVID 19

Due to COVID-19 pandemic the nation-wide lockdowns was imposed by the central government since 25.03.2020 and the said period has been extended from time to time and therefore, the operations of the company got substantially effected due to closure of manufacturing activities, disruption of supply chain, closure vendor offices across the country.

This has impacted on the revenue from operations for the last quarter and as well as upcoming quarter for the year 2020-21.

Due to lockdown, the company's plant suspended its operations effective 01.04.2020 and the company's corporate office including its registered office remain shut due to lockdown. However, the company has adopted work from home policy as per government guidelines and all employees of the company are working from home during the lockdown period.

As per guidelines issued by ministry of home affairs dated 30th may, 2020, the company has resumed the manufacturing operations and as well as all offices w.e.f. 29.04.2020. But still we are able to work with 20%-30% due to unavailability of workers.

The company is taking utmost care of all workers/employee for protection of their health and safety. The company is taking all safety measures and precaution at work place as per the guidelines issued by Ministry of home affairs and Ministry of health and family welfare of the Government of India.

The steps taken by the company are as follow:

- Sanitize all work places and frequently sanitize all instruments at workplace.
- All workers/employee must wear face mask/cover and adequate stocks of face cover are made available
- Social distancing during the work and avoid mass gathering.
- Thermal scanning of all workers/employees.
- Staggering of work/business hours followed in offices and factory premises.

The management of the company will closely monitor situation and take necessary steps as may be required from time to time.

The from mid of March, 2020 till date Lockdown and gradual relaxation disturbed operations in various aspect and degree and the revenue from operations and profitability has been adversely impacted. At this point of time, it is difficult to estimate the impact of COVID 19 on our future operations.

35. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items



as there were no transactions on these items during the year under review:

I. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

II. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

III. The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

IV. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in

36. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations

37. ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board also places on record its appreciation for the continued cooperation and support received by your Company during the year from investors, bankers, financial institutions, customers, business partners, all regulatory and government authorities and other stakeholders.

For and On Behalf of the Board of Directors

Place: Mumbai
Date: 29.07.2020

ASIT D.JAVERI
EXECUTIVE CHAIRMAN
DIN: 00268114



ANNEXURE-I

AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies /joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary/ Associate Companies/ Joint Venture Companies to be presented with amounts in Rs)

Sr. No	Particulars	Name of Subsidiary	
1	Name of the subsidiary / Joint Venture / Associates Companies	Anuchem B.V.B.A., Belgium	Spidigo Net Private Limited
2	Date on which the subsidiary company was associated or acquired	01/04/1998	11/03/2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December	April to March
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	Euro 1 Euro = INR 80.14 Date: 31.12.2019	INR
5	Paid up Share capital	Rs. 15,02,625	Rs. 1,00,000
6	Reserves and Surplus	Rs. 45,40,566	Rs. 2,93,33,885
7	Total Assets	Rs. 24,40,63,583	Rs. 6,97,78,660
8	Total Liabilities	Rs. 24,40,63,583	Rs. 6,97,78,660
9	Investments	Rs. --	Rs. --
10	Turnover	Rs. 17,59,31,345	Rs. 2,51,99,493
11	Profit before taxation	Rs. 2,74,008	Rs. 1,66,72,231



Sr. No	Particulars	Name of Subsidiary	
1	Provision for taxation / Def. Tax	Rs. 91,465	Rs. ---
	Profit after taxation	Rs. 1,82,544	Rs. 1,66,72,231
	Proposed Dividend	Nil	Nil
	% of shareholding	100 %	100 %

Names of Subsidiaries which are yet to commence operations: - N.A

Names of Subsidiaries which have been liquidated or sold during the year: N.A.



Part "B": Associates and Joint Ventures

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

Particulars	Name 1
1. Name of Associates/Joint Ventures	NOT APPLICABLE
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Latest audited Balance Sheet Date	
4. Shares of Associate/Joint Ventures held by the company on the year end (in numbers)	
i. Number	
ii. Amount of Investment in Associates/Joint Venture	
iii. Extent of Holding %	
5. Description of how there is significant influence	
6. Reason why the associate/joint venture is not consolidated	
7. Net worth attributable to Shareholding as per latest audited Balance Sheet	
8. Profit I Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

Names of associates /joint ventures which are yet to commence operations: - N.A.

Names of associates /joint ventures which have been liquidated or sold during the year: N.A.

Place: Mumbai

Dated: 29.07.2020

For Jayesh Dadia & Associates LLP

Chartered Accountants

Firm Registration. No. 121142W / W100122

Jayesh Dadia

Partner

Membership No.033973



ANNEXURES TO THE BOARD'S REPORT

ANNEXURE-II

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Particulars of contracts / arrangements entered into by the Company with related parties referred to in subsection(1) of section 188 of the Companies Act,2013.

1	Details of contracts or arrangements or transactions not at arm's length basis	None
2	Details of contracts or arrangements or transactions at arm's length basis	As detailed below

1. Transactions arms length basis in the ordinary course of business:-

Name of the Related Party Nature of Relationship	Nature of contracts / arrangement / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Anuchem BVBA, Belgium wholly Owned subsidiary company	Transaction relating to Sale of goods	Yearly	Rs.126209199	NA	NA
Asit D Javeri Executive Chairman	Guarantee Commission	Yearly on Rs.4.25 Cr and partly from 30.08.2020 to 31.03.2020 on Rs.50.75 Cr.	Rs.2550360 0.75% on 4.25Cr for the period from 01.04.2019 to 31.03.2020 & 0.75% on 50.75Cr for the period from 30.08.2019 to 31.03.2020 for 214 days for Personal Guarantee given to Citi Bank	29.07.2020	NA



Name of the Related Party Nature of Relationship	Nature of contracts / arrangement / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Abhishek Javeri Managing Director & CFO	Guarantee Commission	Yearly on Rs.4.25 Cr and partly from 30.08.2020 to 31.03.2020 on Rs.50.75 Cr.	Rs.1700240 0.50% on 4.25Cr for the period from 01.04.2019 to 31.03.2020 & 0.50% on 50.75Cr for the period from 30.08.2019 to 31.03.2020 for 214 days for Personal Guarantee given to Citi Bank	29.07.2020	NA
Spidigo Net Pvt Ltd. Wholly Own Subsidiary	Loans & Advances	Yearly	Rs.60032574		NA

For and On Behalf of the Board of Directors
SADHANA NITRO CHEM LIMITED

ASIT D. JAVERI
EXECUTIVE CHAIRMAN

DIN: 00268114

Address: Ratnagar Palace 37 Chowpatty Seaface
Mumbai 400007

Place: Mumbai

Date: 29.07.2020

**FORM NO. MR.3**
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Sadhana Nitro Chem Limited
Hira Baug, 1st Floor Kasturba Chowk
(C.P. Tank) Mumbai 400004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sadhana Nitro Chem Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment, Foreign Direct Investment, and External Commercial Borrowings are not applicable to the Company during the Audit Period). Further, the Company has confirmed orally that Foreign Liability Assets (FLA) and Annual Performance Report (APR) for financial year 2018-19 is filed, but due to Covid-19 no acknowledgements were provided.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):



(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called the "Listing Regulations")

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, no law is specifically applicable to the Company:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned herein under:

i) The Company has not implemented Structured Digital Database as required under Regulation 3 of SEBI (Prohibition of Insider Trading) Regulations, 2015

ii) During the Audit Period there are instances of Contra Trade and Trading in Window Closure period, which was not intimated to Securities and Exchange Board of India.

iii) The Company has not filed form MGT-14 for borrowings in foreign currency term loan of Rs. 30,00,00,000 /- and for borrowings in working capital facility from Citi Bank Limited for an amount of Rs. 55,00,00,000/-

iv) The Company has filed quarterly Corporate Governance Report in delay for the quarter ended 31st March, 2019 and 30th June, 2019 as per Regulation 27 of the SEBI Listing



Regulations.

- v) has not filed form IEPF 2 for statement of unpaid and unclaimed amounts of dividend of last seven financial years.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Due to Covid-19 Pandemic, we could not verify some of the acknowledgments of Notice & Agendas and draft & signed minutes of Board & Committee meetings, circular resolutions and attendance Registers.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period the Company;

- has taken shareholder approval through Postal Ballot dated 16th March, 2020, for sub-division of its Equity Shares of Rs. 5/- each to Rs. 1/- and has altered its capital clause for the same.

- has not yet transferred its shares in respect of which unclaimed and unpaid amount of dividend has been transferred to Investor Education and Protection Fund (IEPF) before 7th September, 2016, to IEPF Authority.

**For MMJB & Associates LLP
Practicing Company Secretaries**

**Bhavisha Jewani
Designated Partner**

FCS No. 8503

CP. No. 9346

UDIN: F008503B000525877

Place: Mumbai

Date: 29th July, 2020

*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



To
The Members,
Sadhana Nitro Chem Limited
Hira Baug, 1st Floor Kasturba Chowk
(C.P. Tank) Mumbai 400004

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJB & Associates LLP
Practicing Company Secretaries

Bhavisha Jewani
Designated Partner
FCS No. 8503
CP. No. 9346
UDIN: F008503B000525877
Place: Mumbai
Date: 27th July, 2020



ANNEXURE - IV TO DIRECTORS REPORT 2019-20

REPORT ON CORPORATE GOVERNANCE

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the report containing the details of Corporate Governance systems and processes of the Company is as follows together with the Auditors Certificate annexed as Exhibit-A to this report, on compliance with the conditions of Corporate Governance laid down are presented in the Report on Corporate Governance for the year ended 31st March, 2020.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Sadhana Nitro Chem Limited believes that transparent accounting policies, appropriate disclosures norms, best-in-class Board practices and consistently high standards of corporate conduct towards its stakeholders are essential for sustained corporate growth.

Corporate Governance is about commitment to values and ethical business conduct. The Report on the Corporate Governance is to fulfill this commitment. An Organization is able to attract investors and enhance the trust and confidence of all stakeholders by following the best governance practices.

Our Governance philosophy is based on the following:-

- Management is the trustee of the Shareholders capital and not the owner.
- Provide an enabling environment to harmonize the goals of maximizing stakeholder value and maintaining a customer centric focus.
- Have a simple and transparent corporate structure driven solely by business needs.
- Communicate externally, in a truthful manner, about how the Company is running internally.
- Make clear distinction between personal convenience and corporate resources.
- Be transparent and maintain high degree of disclosure levels in all facets of its operations.
- Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. BOARD OF DIRECTORS:

The Company's Board Comprises of Individuals with considerable experience and expertise across a range of discipline including Business Management and Business Strategy.

The Board Members are fully aware of their roles and responsibilities in discharge of the key functions. The Board Members strive to meet the expectation of operational transparency without compromising the need to maintain confidentiality of information.

The Composition of the Board and Directorship held in other Companies as on 31st March, 2020:



Sr. No.	Name of the Director(s)	Category of Directorship	No. of outside Directorship	No. of other outside Committee positions held (*)	
				Chairman	Member
1	Mr. Asit D. Javeri	Promoter - Executive Chairman	6 (#)	4 (*)	4
2	Mr. Abhishek A. Javeri	Promoter group - Managing Director & Chief Financial Officer	4	—	—
3	Smt. Seema A. Javeri	Promoter group - Executive Director	3	—	—
4	Mr. Arvind R. Doshi	Independent - Non-Executive	—	—	—
5	Mr. Pradeep. N. Desai	Independent - Non-Executive	3	2	1
6	Mr. Priyam. S. Jhaveri	Independent - Non-Executive	7	—	2
7	Mr. Amit M. Mehta	Independent - Non-Executive	11	1	1

(*) In other Limited Companies (including Private Limited Companies)/ Foreign companies. Only membership of audit committee and Stakeholder's Relationship Committee are considered.

(#) Shri Asit Javeri has resigned from the directorship of IEL Ltd w.e.f. 04/03/2020

3. BRIEF PROFILE OF DIRECTORS OF THE COMPANY:

(Abbreviation used in the clause (@) AC - AUDIT COMMITTEE, NRC - NOMINATION AND REMUNERTION COMMITTEE, SRC- STAKEHOLDERS RELATIONSHIP COMMITTEE, CSR - CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.)

a) Shri Asit D. Javeri (DIN: 00268114):

Shri Asit D. Javeri, aged 64 years, is a Science graduate from Mumbai University. He is S/o (Late) Shri Dhankumar T. Javeri, founder Chairman of the Company.

He joined company in December 1984 as a Director of the company and in January 1985, he was appointed as the Managing Director. Prior to joining the company he had experience of 9



years of running chemical company. He has been associated with the company for more than 35 years.

At present Shri Asit D. Javeri is Executive Chairman of the Company. He is also promoter of the company and holds No. of shares 59,768 Equity Shares of the company as on 31st March, 2020.

Directorship and Committee membership of Shri Asit D. Javeri (DIN: 00268114):

Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
1	Phthalo Colors & Chemicals (India) Limited.	Unlisted	Director	AC - Member
2	Manekchand Panachand Trading Investment Company Private Limited.	Unlisted	Director	Nil
3	Chandra Net Private Limited	Unlisted	Director	Nil
4	Lifestyle Networks Limited.	Unlisted	Director	Nil
5	Sadhana nitro chem limited	Listed	Executive Director	CSR- Chairman
6	Premier limited	Listed	Non-Executive - Independent Director	SRC -Chairman NRC - Member AC - Member CSR - Member
7	IEL Limited	Listed	Non-Executive - Independent Director	SRC - Chairman NRC - Chairman AC - Chairman

(*) Shri Asit Javeri has resigned from the directorship of IEL Ltd w.e.f. 04/03/2020

b) Shri Arvind R. Doshi (DIN: 00015293):

Shri Arvind R. Doshi aged 80 years, is a Civil & Sanitary Engineer from VJTI, Mumbai and Diploma in Business Management.

He joined company on 17th September, 1974 as a Director. He has been associated with the company for more than 46 years.

He has a wide experience in industries like Engineering & Automobiles since 1965. He has received Prestigious Dadabhai Naroji International award for Excellence & Achievement in 1999. Also he has been awarded Samaj Ratna by Mahamastaka Abhishek Committee 2006.



At present Shri Arvind R. Doshi is Non-Executive Independent Director of the Company. He is holding 24,996 Equity Shares of the company as on 31st March, 2020.

Directorship and Committee membership of Shri Arvind R. Doshi (DIN: 00015293):

Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
1	Sadhana nitro chem limited	Listed	Non-Executive - Independent Director	NRC - Member SRC -Chairman AC - Member CSR - Member

c) Shri. Priyam S. Jhaveri (DIN: 00045038):

Shri. Priyam S. Jhaveri aged 65 years. He is a Commerce graduate and having rich experience in Chemical Industry. He is associated with Nanavati Group of Companies and joined Company as a Director from 11th March, 1996.

At present Shri. Priyam S. Jhaveri is Non-Executive Independent Director of the Company. He is holding 400 Equity Shares of the company as on 31st March, 2020.

Directorship and Committee membership of Shri. Priyam S. Jhaveri (DIN: 00045038)

Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
1.	Sadhana nitro chem limited	Listed	Non-Executive - Independent Director	SRC -Chairman AC - Chairman NRC -Member CSR - Member
2	IELLimited	Listed	Executive Director, Chairman, Managing Director	NIL
3	Excel Industries Limited	Listed	Non-Executive - Independent Director	NRC - Member AC - Member
4	Phthalo Colours And Chemicals (India)Limited	Unlisted	Chairman & Managing Director	NIL
5	Phthalo Pigments Private Limited	Unlisted	Director	NIL



Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
6	Sonoga Trades & Investments Private Limited	Unlisted	Director	NIL
7	Nanavati Sons Private Limited	Unlisted	Director	NIL
8	Nanavati Speciality Chemicals Private limited	Unlisted	Director	NIL

d) Shri Pradeep N. Desai (DIN: 01602942):

Shri Pradeep N. Desai aged 58 years. He is Chemical Engineer. He joined the company as a Director from 12th February, 2013.

At present Shri Pradeep N. Desai is Non-Executive Independent Director of the Company. He is holding 200 Equity Shares of the company as on 31st March, 2020.

Directorship and Committee membership of Shri Pradeep N. Desai (DIN: 01602942)

Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
1	Tanishka Micro Encapsulation Private Limited	Unlisted Unlisted Unlisted	Director	NRC - Chairman AC - Chairman SRC - Member
2	Aayan Nanotech Private Limited	Listed	Director	NIL
3	Life Style Networks Limited		Director	NIL
4	Sadhana nitro chem limited		Non-Executive - Independent Director	SRC - Member NRC - Member AC - Member

e) Shri Abhishek A. Javeri (DIN: 00273030):

Shri Abhishek A. Javeri (DIN: 00273030) aged 37 years. He is BA in Economics from North Western University, USA. He joined the company as a Director from 24th January, 2007.

At present Shri Abhishek A. Javeri is Managing Director & Chief Financial Officer of the Company. He is in promoter group of the Company and holding 5,62,168 Equity Shares of the company as on 31st March, 2020.


Directorship and Committee membership of Shri Abhishek A. Javeri (DIN: 00273030)

Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
1	Manekchand Panachand Trading Investment Co. Pvt. Ltd	Unlisted	Director	NIL
2	Lifestyle Networks Limited	Unlisted	Director	NIL
3	Chandra Net Pvt. Ltd.	Unlisted	Director	NIL
4	Spidigo Net Private Limited	Unlisted	Director	NIL
5	Sadhana nitro chem limited	Listed	Managing Director & Chief Financial Officer	NIL

f) Smt. Seema A. Javeri (DIN: 01768936):

Smt. Seema A. Javeri aged 61 years. She is a B.Sc. She has an experience of 12 years in Administration. She joined the company as a Director from 13th February, 2014.

At present Smt. Seema A. Javeri is Executive Director - Administration of the Company. She is also in promoter group of the Company and holding 36,654 Equity Shares of the company as on 31st March, 2020.

Directorship and Committee membership of Smt. Seema A. Javeri (DIN: 01768936)

Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
1	Lifestyle Networks Limited	Unlisted	Director	NIL
2	Manekchand Panachand Trading Investment Co. Pvt. Ltd	Unlisted	Director	NIL
3				
4	Spidigo Net Private Limited	Unlisted	Director	NIL
5	Sadhana nitro chem limited	Listed	Executive Director	Internal Complaint Committee for prevention and prohibition of Sexual Harassment of woman at workplace (Chairperson)



g) Shri Amit M. Mehta (DIN: 00073907):

Shri Amit M. Mehta aged 66 years is a B.Sc in Chemistry. He has vast experience of Chemical Business. He joined as an Independent Director of the Company on 30th April, 2018.

At present Shri Amit M. Mehta is Non-Executive Independent Director of the Company. He is holding 85,372 Equity Shares of the company as on 31st March, 2020.

Directorship and Committee membership of Shri Amit M. Mehta (DIN: 00073907)

Sr. No.	Name of Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee (@)
1	Tomorrowland Apparels Private Limited	Unlisted	Director	-NIL
2	Finorga (India) Pvt Ltd	Unlisted	Director	-NIL
3	S.Amit Speciality Chemicals Private Limited	Unlisted	Director	-NIL
4	Perfo Chem (India) Private Limited	Unlisted	Director	-NIL
5	Topnotch Realty Private Limited	Unlisted	Director	-NIL
6	Pinami Realty Private Limited	Unlisted	Director	NIL
7	Value E-Healthcare Limited	Unlisted	Director	-NIL
8	Insight Health Scan Private Limited	Unlisted	Director	NIL
9	Global-Local Lifestyle Services Private limited	Unlisted	Director	NIL
10	Fyra Insights Private Limited	Unlisted	Additional Director	-NIL
11	Sadhana nitro chem limited	Listed	Non - Executive - Independent Director	-NIL
12	Diamines Chemicals Limited	Listed	Non - Executive - Whole time Director	SRC - Chairman CSR - Member

4. ATTENDANCE RECORD OF THE DIRECTORS:

During the Financial Year 2019 - 20:

- a) Six Meetings of Board of Directors were held on 22nd April, 2019, 28th May, 2019, 08th



August, 2019, 10th September, 2019, 13th November, 2019 & 31st January, 2020

b) Last Annual General Meeting (AGM) of the Company was held on 25th September, 2019.

The Attendance of Directors at the Board Meetings, Last AGM were as under:-

Dates of Meetings During FY 2019-20 BM-Board Meeting AGM-Annual General Meeting	Attendance of Directors						
	Mr. Asit D. Javeri	Mr. Arvind R. Doshi	Mr. Priyam S. Jhaveri	Mr. Abhishek A. Javeri	Mr. Pradeep N. Desai	Smt. Seema A. Javeri	Mr. Amit M Mehta
BM-22.04.2019	P	P	P	P	P	P	P
BM-28.05.2019	P	P	P	P	P	P	P
BM 01.08.2019 & adjourned to BM-08.08.2019	P	P	P	P	A	P	A
BM-10.09.2019	P	P	P	P	P	A	P
BM-13.11.2019	P	P	P	P	P	P	P
BM-31.01.2020	P	P	P	P	P	P	P
AGM-25.09.2019	P	P	P	P	P	P	P

5. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Name of Director	Inter - se Relationship
Mr. Asit D Javeri	Father of Mr. Abhishek A Javeri and Husband of Mrs. Seema A Javeri
Mr. Abhishek A Javeri	Son of Mr. Asit D Javeri and Mrs. Seema A Javeri
Mrs. Seema A Javeri	Wife of Mr. Asit D Javeri and Mother of Mr. Abhishek A Javeri
Mr. Priyam S. Jhaveri	No Relation
Mr. Pradeep N. Desai	No Relation
Mr. Arvind R. Doshi	No Relation
Mr. Amit M Mehta	No Relation

Note:

Board meets once in quarter wherein they review quarterly performance and financial results. The Board meetings are generally scheduled well in advance and the notice of each meeting is given in writing to each Director. All the items on the agenda are accompanied by a note giving comprehensive information on the related subject. The agenda and relevant notes are sent in advance separately to each of directors and only in exceptional cases the same is tabled at the meeting. The Board is also free to recommend the inclusion of any method for discussion in consultation with the Chairman. The information as specified in Part A of Schedule of SEBI (LODR) Regulations, 2015 is regularly made available to the Board. The minutes of the Board meeting are circulated within reasonable time period in accordance with the secretarial standards to all directors and are confirmed at subsequent meeting. The minutes of audit



committee and other committees of the board are circulated within the stipulated time period to all members of the Committees and are regularly place before the respective Committees.

6. TRAINING OF NON-EXECUTIVE MEMBERS OF THE BOARD:

All new non-executive Directors are appointed on the Board of the Company are introduced to the culture through induction sessions. The Executive Directors and senior management provide an overview of the operations and familiarize the new Non-executive Directors on matters the morals and principles of the Company.

They are introduced to the organization structures and various procedures. The Directors are also briefed pertaining to the group structure and subsidiaries. The Company has a detailed familiarization Programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such Programme is available on the website of the Company at

<http://www.sncl.com/newpdf/policy/Familiarization%20Program%20for%20Independent%20Directors.pdf>

7. NUMBER OF SHARES & CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2020 IS AS UNDER:

Name of Director	Director Category	Number of Shares/convertible instruments held
Mr. Amit M. Mehta	Non-Executive, Independent	85,372 Equity Shares
Mr. Arvind R. Doshi	Non-Executive, Independent	24,996 Equity Shares
Mr. Priyam S. Jhaveri	Non-Executive, Independent	400 Equity Shares
Mr. Pradeep N. Desai	Non-Executive, Independent	200 Equity Shares

8. CONFIRMATION PERTAINING TO INDEPENDENT DIRECTORS OF THE COMPANY:

In the opinion of the Board of Directors of the Company, Mr. Amit M. Mehta, Mr. Arvind R. Doshi, Mr. Priyam S. Jhaveri and Mr. Pradeep N. Desai, Non-Executive Independent directors are independent of the management and complies with criteria of Independent Director as placed in SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

9. REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR:

During the year 2019-20, No Independent Director has resigned before the expiry of his tenure.

10. LIST OF SKILLS/EXPERTISE/COMPETENCIES REQUIRED TO FUNCTION THE BUSINESS EFFECTIVELY:

Too many businesses fail because translating passion into a successful business model is a difficult task.



Developing a small business into a successful enterprise demands more than passion. Unfortunately, facts speak for themselves. Over half of new businesses fail mainly because the entrepreneur is unable to translate their passion into practical business skills. Success demands more than hard work, resilience, and expertise in your field. In order to succeed, you need to understand and to become proficient in a set of fundamental business skills. Following are the essential skills that you are required to run the business of the Company:

Financial Management Skill:

Being able to effectively manage your finances is critical. You will need to be able to forecast your cash flow and sales, as well as, monitor your profit and loss. Having sound financial management skills will help you to run your business profitably and protect your financial investment.

Marketing, Sales and Customer Service Skill:

It is important to be able to promote your products or services effectively. Providing good customer service and having a marketing strategy in place will help you to generate sales.

Communication and Negotiation Skill:

Communication and negotiation with your suppliers, potential investors, customers and employees is very important to have. Having effective written and verbal communication skills will help you to build good working relationships. Every communication should reflect the image you are trying to project.

Management Skill:

These means offering other people opportunities to do work, even if you think it will benefit your own clout or resume to do it yourself. Delegation is an important part of time and resource management. If you take everything on yourself, chances are your work in key areas will suffer. Someone that excels in business will be able to manage their own workload by appropriately directing the appropriate colleagues and subordinates for the best tasks.

Strategic Planning Skill:

Strategic planning is a very important business activity. Strategic planning is a process of defining your company's strategy or direction and making decisions on allocations of resources of capital and people. The key is to know how to project your company's future performance, within a three to five year framework or more, supported by your well defined business plan

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:

Skills And Its Description	Shri. Asit Dhankumar Javeri	Shri. Abhishek Asit Javeri	Smt. Seema Asit Javeri	Shri. Amit Mahendra Mehta	Shri. Priyam Shantilal Jhaveri	Shri Pradeep Nanasaheb Desai	Shri. Arvind Raoji Doshi
Leadership experience of running large enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Experience of crafting Business Strategies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of Consumer and Customer Insights in diverse environments and conditions	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Finance and Accounting Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Experience in overseeing large and complex Supply Chain	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Understanding use of Digital / Information Technology	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Experience of large companies & understanding of the changing regulatory landscape	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Communication and Negotiation Skill	Yes	Yes	Yes	Yes	Yes	Yes	Yes



11. AUDIT COMMITTEE:

a) Preamble:

As required under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 read with part C of schedule II thereto, the Board has constituted Audit Committee which comprises of the following Directors:

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Priyam S. Jhaveri	Chairman - (From 29/04/2008)	Non-Executive, Independent
Mr. Arvind R. Doshi	Member - (From 29/04/2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member - (From 19/1/2018)	Non-Executive, Independent

b) Change in composition:

There was no change in the composition of the Audit Committee during the FY 2019-20.

c) Terms of reference of the Audit Committee:

The Audit Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and within its terms of reference.

Role of the Audit Committee, inter-alia, includes the following :-

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) Reviewing with management the annual financial statements before submission to the Board, for approval with particular reference to:

- i. Matters required being included in the Director's Responsibility Statement.
- ii. Changes, if any, in accounting policies and practices and reasons for the same.
- iii. Major accounting entries involving estimates based on exercise of judgment by management.
- iv. Significant adjustments made in the financial statements arising out of audit findings.
- v. Compliance with Listing and other legal requirements relating to financial statements.
- vi. Disclosure of any related party transactions.
- vii. Qualifications in draft audit report.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval



- f) Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) Discussions with internal auditors any significant findings and follow up thereon.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- m) The Audit Committee shall mandatorily review the following information.
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
 - iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weakness; and
 - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Mr. Jayesh Dadia - Jayesh Dadia & Associates LLP., Partner of the firm - Statutory Auditor and Mr. Chandrashekar Iyer - Chandrashekhar Iyer & Co., Partner of the firm - Internal Auditor, have been permanent invitees to the Audit Committee Meetings besides Executive Chairman, Managing Director & Chief Financial Officer as an Invitee. Company Secretary attended most of the meeting of the Audit Committee as invitee as well.

During the year, the Audit Committee, in its meetings, discussed among other things, the following :

- Reviewed with management, quarterly, half yearly and annual financial statements before submission to the Board.



- Discussed with the management and the internal and statutory auditors findings in the internal audit reports.
- Deliberated on the applicability, compliance and impact of various Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.
- Reviewed the Company's Financial and Risk Management Policies and Audit Reports covering operational, financial and other business risk areas.

The Chairman of the Audit Committee has briefed the Board of Directors, about the Audit Committee's observations on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the Board Members along with agenda of the subsequent meeting.

The Financial decisions of the Company are taken by the Mr. Asit D Javeri, Executive Chairman along with Mr. Abhishek A Javeri, Managing Director and Chief Financial Officer at the Meeting of Board of Directors.

d) Attendance record of the Members:

The attendance record of each member of the Audit Committee are as follows:

Dates on which the Meetings were held	Attendance of Members		
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)
21st May, 2019	P	A	A
28th May, 2019	P	P	P
08th August, 2019	P	P	A
13th November, 2019	P	P	P
31st January, 2020	P	P	P

The previous Annual General Meeting was held on 25th September, 2019. Mr. Priyam Shantilal Jhaveri Chairman of the Audit Committee has attended the Annual General Meeting of the Company.

12. RISK MANAGEMENT:

Preamble:

The Board takes responsibility for the total process of risk management in the organisation. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit Reports covering operational, financial and other business risk areas.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Preamble:

Pursuant to the provisions of section 178 (5) of the Act and Regulation 20 of the SEBI Regulations read with Part D of Schedule II thereto, the Stakeholders' Relationship Committee has been constituted. The Stakeholder Relationship Committee comprises of the following Directors:-

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Priyam S. Jhaveri	Chairman - (from 29-04-2008)	Non-Executive, Independent
Mr. Arvind R. Doshi	Member - (from 29-04-2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member - (from 19-01-2018)	Non-Executive - Independent

b) Change in composition:

There was no change in the composition of the Stakeholders' Relationship Committee during the FY 2019-20.

c) Terms of Reference:

- Review the existing Investors Redressal System and suggest measures for improvement.
- Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- Suggest improvement in investor's relations.
- Consider and take on record the Certificate from Practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.

d) Attendance record of the Members:

The attendance record of each member of the Stakeholder Relationship Committee at the Meeting held on 28th May, 2019 is as follows:

Dates on which the Meetings were held	Attendance of Members		
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)
28th May, 2019	P	P	P

All share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Link Intime India Private Limited situated at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083.



e) Name and Designation of Compliance Officer:

Mr. Nitin R. Jani, Company Secretary, has been appointed as the Compliance Officer, as required under Regulation 6 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"). He has been entrusted the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimated to the Company directly or through SEBI and Stock Exchanges. All complaints / grievances have been duly intimated to exchange under Regulation 13 of the SEBI (LODR) Regulations, 2015 which is as follows:

Sr. No.	No of Shareholder's Complaints received during the year 2019-20	No of Shareholder's Complaints resolved to Shareholder's satisfaction during the year 2019-20	No of pending complaints during the year 2019-20
1	26	26	0

14. NOMINATION & REMUNERATION COMMITTEE:

Pursuant to section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Regulations read with Part D of Schedule II thereto the Company has constituted the the Nomination & Remuneration Committee. This Committee shall have the authority to Investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the terms of reference as specified herein as under:

1. The Nomination & Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Nomination & Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee required by it.
3. The Nomination & Remuneration Committee shall have the following powers and functions:
 - a) To recommend to the Board, the terms and conditions of appointment of key Management personnel.
 - b) To seek information from any employee.
 - c) To obtain outside legal or other professional advice.

a) Performance Evaluation:

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors pursuant to the provisions of the Companies Act, 2013.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings.
- ii. Quality of contribution to Board deliberations.
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance.
- iv. Providing perspectives and feedback going beyond information provided by the



management.

v. Commitment to shareholder and other stakeholder interests.

vi. The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

b) Remuneration Policy:

Preamble:

The Nomination and Remuneration Committee has laid down the criteria for determining qualifications, positive attributes and independence of a person proposed to be appointed as a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

This policy ensures that-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is inconsonance with the existing industry practice.

The Nomination & Remuneration Committee consists of the following Directors.

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Arvind R. Doshi	Chairman - (From 29/04/2008)	Non-Executive, Independent
Mr. Priyam S. Jhaveri	Member - (From 29/04/2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member - (From 19/1/2018)	Non-Executive, Independent

c) Change in composition of Nomination and Remuneration Committee:

There was no change in the composition of the Nomination & Remuneration Committee during the financial year 2019-20.

d) Attendance record of the Members:

The attendance record of each member of the Nomination & Remuneration Committee at the Meeting held on 28th May, 2019 are as follows :



Dates on which the Meetings were held	Attendance of Members		
	Mr. Arvind R. Doshi (Chairman)	Mr. Priyam S. Jhaveri (Member)	Mr. Pradeep N. Desai (Member)
28th May, 2019	P	P	P

15. REMUNERATION OF DIRECTORS:

a) Preamble:

The Company pays remuneration by way of salary, allowances and perquisites, performance allowance etc. to the Chairman, Managing Director and Company Secretary on recommendation of the Nomination & Remuneration Committee as approved by the Board of Directors and shareholders of the Company subject to approval of the Central Government if necessary.

Details of remuneration of the Directors during Financial Year 2019-20:

Name of the Director	Fixed Salary			Bonus/ performance linked incentives	Sitting fees	Comm- ission	Total
	Base Salary	Benefits	Total fixed salary				
Mr. Asit D. Javeri *	8400000	8400000	16800000	–	–	–	16800000
Mr. Abhishek A. Javeri *	8400000	8400000	16800000	–	–	–	16800000
Smt. Seema A. Javeri*	8400000	8400000	16800000	–	–	–	16800000
Mr. Arvind R. Doshi	–	–	–	–	96000	–	96000
Mr. Priyam S. Jhaveri	–	–	–	–	96000	–	96000
Mr. Pradeep N. Desai	–	–	–	–	80000	–	80000
Mr. Amit M. Mehta	–	–	–	–	50000	–	50000
Total	25,20,000	25,20,000	5,04,00,000	–	3,22,000	–	5,07,22,000

(*)They are not eligible for sitting fees.



b) Service Contracts:

In accordance with the applicable provisions of the Companies Act, 2013 our shareholders approve the salary, benefits of Executive Directors. We enter into service contracts with each of our Directors containing the terms and conditions of employment including salary, performance bonus and other benefits including perks to be received by the Executive Directors.

c) Notice Period:

The terms of our employment arrangements with Shri. Asit D. Javeri , Shri. Abhishek Asit Javeri and Smt. Seema Asit Javeri Provided or upto six months' notice period.

d) Severance/ Compensation fees:

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Directors.

e) Criteria for making payment to Non - Executive Directors:

- **Sitting Fee:**

Each Non-Executive Director is paid per meeting attended a sitting fee of Rs. 10,000/- for Board Meeting and Rs. 6,000/- for Committee Meeting.

- **Commission:**

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its Non-Executive Director. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the Non-Executive Director is the net profit of the Company.

Currently the Company is not paying Commission to its Non-Executive Director.

- **Reimbursement of actual expenses incurred:**

Non-Executive Director may also be paid / reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings or for Company's work.

- **Payment and other consideration to independent directors:**

An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.



16. GENERAL BODY MEETING:

A. Details of the last three Annual General Meetings:

AGM For Financial Year Ended	Venue	Date	Time	No of Special Resolution Passed
2016-17	Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	02.08.2017	03.00 p.m.	1*
2017-18	Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	30.08.2018	03.00 p.m.	3**
2018-19	Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	25.09.2019	03.00 p.m.	Nil

- * Increase in borrowing powers of the Board of Directors.
- ** To re-designate Mr. Asit D Javeri, as executive chairman of the Company from his existing position of chairman and managing director.
- ** To re-designate Mr. Abhishek A Javeri, as managing director & CFO of the Company from his existing position of Executive Director & CFO.
- ** To reappoint Mrs. Seema Asit Javeri as Executive Director of the Company for period of 3 (Three) Years with effect from 1st May, 2018.

B. Extra-Ordinary General Meetings:

No Extra Ordinary General Meeting has been held during the year.

C. During the year, the members have approved the following Ordinary and Special Resolutions by way of Postal Ballot. Brief Voting details are as under.

- Re-appointment of Mr. Priyam Shantilal Jhaveri (DIN: 0045038) as an Independent Director of the Company. (Special Resolution) (September 11, 2019).
- Re-appointment of Mr. Arvind Raoji Doshi (DIN: 00015293) as an Independent Director of the Company. (Special Resolution) (September 11, 2019)
- Re-appointment of Mr. Pradeep Nanasaheb Desai (DIN: 01602942) as an Independent Director of the Company (Special Resolution. (September 11, 2019)



IV) Sub-division of Equity Shares of the Company of Face Value of Rs. 5/- (Rupees five) each fully paid up into 5 Equity shares of face value of Rs. 1/- (Rupees One) each fully paid up. (Ordinary Resolution) (March 16, 2020)

V) Alteration of the Capital Clause in the Memorandum of Association. (Ordinary Resolution) (March 16, 2020)

Resolution Number as above	Category	Mode of Voting	No. of Shares Held	No & % of Votes Polled of shares held	No & % of Votes in Favor of votes polled	No & % of Votes Against of votes polled
I)	Promoter and Public Institution and Public Non Institution	E-Voting and Postal Ballot	18630298	13,745,671 73.781%	13,738,917 99.951 %	6,376 0.0049 %
II)	Promoter and Public Institution and Public Non Institution	E-Voting and Postal Ballot	18630298	13,686,071 73.461%	13,669,117 99.876 %	16,954 0.124 %
III)	Promoter and Public Institution and Public Non Institution	E-Voting and Postal Ballot	18630298	13,745,671 73.781%	13,728,719 99.877 %	16,952 0.123 %
IV)	Promoter and Public Institution and Public Non Institution	E-Voting and Postal Ballot	18630298	13680739 74.43%	13676981 99.97 %	3758 0.03 %
V)	Promoter and Public Institution and Public Non Institution	E-Voting and Postal Ballot	18630298	13680739 74.43%	13676981 99.97 %	3758 0.03 %



- **Procedure for Postal Ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the Company website, www.sncl.com besides being communicated to the stock exchanges, depository and registrar and share transfer agent.

The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above through a postal ballot.

- **Person who conducted the postal ballot exercise:**

M/s Makarand M. Joshi & Company, Company Secretaries, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

17. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results for Sadhana Nitro Chem Limited and the consolidated financial results for its Subsidiary Companies are published in English in Financial Express and in Marathi in Mumbai Lakshadeep and are displayed on Company's website at www.sncl.com.



The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchange are promptly filed on BSE Listing Centre, for dissemination on its websites.

18. GENERAL SHAREHOLDER INFORMATION:

a) Current Financial Year:

The current financial year of the Company is 31st March, 2020

b) Date, time and venue of 47th Annual General Meeting of the Company:

Date : Friday, 25th September, 2020

Time : 4.30 P.M.

Venue : at Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), 400004 Mumbai Maharashtra India.

c) Date of Book Closure connection with 47th Annual General Meeting:

From Friday, 18/09/2020 to Friday 25/09/2020 (both days Inclusive)

d) Dividend payment date:

Within 30 days of the AGM for the financial year 2019-20.

e) Financial Year:

April 1, 2019 - March 31, 2020

f) Name and address of the stock exchange where Company's shares are listed:

Name: BSE Limited

Address: Phiroze Jeejebhoy Towers, Dalal Street, Kala Ghoda, Fort, Mumbai, 400001 Maharashtra India

g) Confirmation of Payment of Listing Fess to BSE Limited:

The Company has made payment of listing fees to BSE Limited for the FY 2019-20.

h) Financial Calendar:

For the year ended March 31, 2020, results were announced on

First quarter	28th May, 2019
Half year	8th August, 2019
Third quarter	31st January, 2020
Annual	29th July, 2020

(Tentative) Results for financial year 2020-21:

June 30, 2020	2nd week of August 2020
September 30, 2020	2nd week of November 2020
December 31, 2020	2nd week of February 2021
March 31, 2021	4th week of May 2021
Annual General Meeting	August, 2021

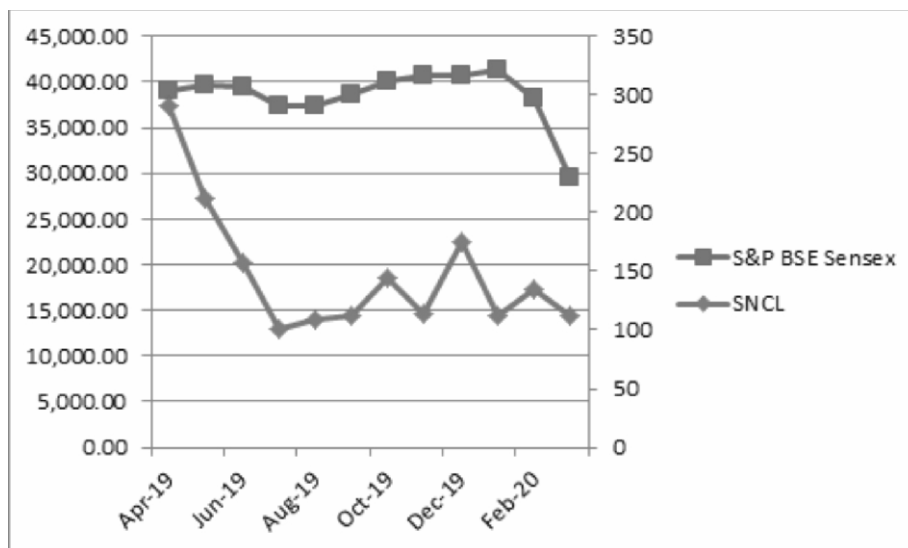
i) Suspension of Securities of the Company from Stock Exchange:

During the year 2019-20, the Company's securities have not been suspended from trading on BSE Limited.

j) Scrip Code and ISIN Number:

	Equity share of Rs. 5/- each	Equity share of Rs. 1/- each w.e.f. 07.04.2020
Scrip Code	506642	506642
ISIN Number	NE888C01032	INE888C01040

k) PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES (SUCH AS BSE SENSEX/ CRISIL INDEX):





l) High/Low Of Market Price of Company's Shares traded on the Bombay Stock Exchange (BSE) Up-to 31st March, 2020:

Month (April 2019 to March 2020)	High	Low	Close	No. of Shares Traded	Total Turnover
April	335.00	291.10	291.70	2,29,543	7,23,15,933
May	285.90	211.30	211.30	5,01,712	11,76,54,090
June	207.10	143.45	156.80	2,84,861	4,79,67,147
July	161.90	78.75	100.55	2,90,039	3,39,45,631
August	122.05	97.00	108.90	1,84,121	2,02,36,655
September	117.00	102.90	111.30	1,45,167	1,61,69,558
October	154.95	103.90	143.55	2,36,373	3,14,56,986
November	153.00	108.35	113.60	2,63,051	3,29,44,994
December	124.95	104.50	112.70	2,26,409	2,51,79,909
January	249.40	104.50	174.90	8,05,927	14,19,49,653
February	178.90	134.90	134.90	4,26,863	6,68,03,590
March	144.00	97.50	112.20	2,29,146	2,68,38,975

(Source : BSE website)

m) Investor Services :

The Company has appointed M/s. Link In-time India Private Limited (LIPL) (Formerly known as M/s. In-time Spectrum Registry Limited, whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, dematerialisation of share certificates, subdivision /consolidation of share certificates and investor grievances. LIPL is also the Depository interface of the Company with both NSDL & CDSL

Details of LIPL are as follows:

Address : C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083.

Telephone No : 022-49186000

E-mail address : rnt.helpdesk@linkintime.co.in,

Fax No: 022-49186060.

n) Share Transfer System:

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 21 days from the date of lodgment if documents are complete in all respects. In case the shares are transferred through demat mode, the procedure is adopted as stated in Depositories Act, 1996.



o) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or Any Convertible Instruments:

Not Applicable

p) Dematerialisation of Shares:

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 98.34% of the equity shares of the company have been dematerialized as on 31st March, 2020.

g) Disclosure In Respect Of Equity Shares Transferred To the 'Sadhana Nitro Chem Limited'-Unclaimed Suspense Account' Is As Under

In accordance with the requirements of Regulations 34, 39 read with Schedule V(F) of Listing Regulations details of equity shares in Sadhana Nitro Chem Limited - Unclaimed Suspense Account are as follows:

	Particular	No. of shareholders	No. of equity shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on April 1st, 2020.	Nil	Nil
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	Nil	Nil
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31st March, 2020	Nil	Nil



19. SHARE HOLDING PATTERN AS ON 31ST MARCH, 2020:

Category	No. of Shares	Percentage
Promoters	1,37,89,506	74.02
Mutual Funds and UTI	1,120	0.01
Banks, Financial Institutions & Insurance Companies	1,242	0.01
Bodies Corporate	4,73,272	2.54
Indian Public	41,03,318	22.02
NRIs/Foreign Nationals	1,11,678	0.60
Foreign Portfolio Investor	42,791	0.23
NBFC Registered with RBI	0	0
Others	1,07,371	0.58
Total	1,86,30,298	100.00

Pursuant to Regulation 3(1) (e) (i) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto, Promoter Group and Persons acting in concert consists of Manekchand Panachand Trading Investment Company Private Limited and Mr. Asit D. Javeri & his family.

20. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020:

No. of Shares	Folio		Amount	
	Number	% to total	Rs.	% to total
1 - 500	4874	55.2044	840802	0.9026
501 - 1000	1440	16.3099	1140439	1.2243
1001 - 2000	1060	12.0059	1566402	1.6816
2001 - 3000	419	4.7457	1055214	1.1328
3001 - 4000	152	1.7216	541014	0.5808
4001 - 5000	211	2.3899	1000688	1.0743
5001 - 10000	335	3.7943	2509982	2.6945
10001 and above	338	3.8283	84496949	90.7092
Total	8829	100	93151490	100

21. UNCLAIMED DIVIDEND:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of 7 years to the Investor Education and Protection Fund (IEPF) established by the Government. The Company has already transferred the unclaimed dividend for the year ended



31st March, 2009 to the IEPF. No unpaid / unclaimed dividend remains to be transferred to IEPF.

22. PLANT LOCATION:

Sadhana Nitro Chem Limited, 47, MIDC Industrial Area, Roha, Dist. Raigad, Maharashtra - 402 116.

Telephone : Dhatav-02194-263801-2-3

Fax : (91)02194-263522

23. SUBSIDIARIES:

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

24. OTHER DISCLOSURES:

(a) Materially Significant related party transactions: The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 are set out at Note 35 in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest. The Company also has the policy on Materiality of Related Party Transaction. The details of such policy are available on the website of the Company at

<http://www.sncl.com/newpdf/policy/Policy%20on%20Related%20Party%20Transaction.pdf>.

(b) Management Disclosures: The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.

(c) Strictures and Penalties: There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.

(d) Risk Management Framework: The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top Management to identify potential events that may affect the Company, to manage the risk within its risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management prioritises the risk and finalise the action plan for mitigation of the key risks.

(e) Whistle Blower Policy: The Company has a vigil mechanism and whistle blower policy under which it takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee the policy has been put up on the company's website



at www.sncl.com.

(f) Disqualification / Debar of Directors of the Company: A certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary was placed before the Board of Directors of the Company in its meeting held on 16.07.2020. On the basis of certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary the Board of Directors of the Company take a cognizance that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. Certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary is annexed hereto and marked as Exhibit - B to this report.

(g) Acceptance of recommendation of Committee: During the year 2019-20, all the suggestions / recommendations of all the committees of the Board, have been accepted by the Board of Directors.

(h) Maintenance of the Chairman's Office: The Company has an Executive Chairman and the office provided to him for performing his executive duties is also utilized by him for discharging his duties as Chairman. No separate office is maintained for the Non-Executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him whenever needed, in performance of his duties.

i. Shareholders' Rights: Un-audited quarterly financial results are sent to the stock exchanges and published in the newspapers as per the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

ii. Modified opinion(s) in audit report: There are no qualifications in the Auditor's Report on the financial statements to the Shareholders of the Company.

iii. Reporting of internal auditor: The Internal Auditor directly reports to the Audit Committee.

(i) Preferential Allotment

There has been no preferential allotment or qualified institutions placement done by the Company during the financial year.

(j) Total fees paid to Statutory Auditors of the Company

M/s. Jayesh Dadia & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 121142W /W100122) the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the total fees paid by the Company to the statutory auditor and all entities in the network firm / entity of which the statutory auditor is a part is Rs. 10,00,000/-.

(k) Disclosure under the Sexual Harassment of Women at Workplace Prevention, Prohibition & Redressal) Act, 2013



Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under for prevention and redressal of complaints of sexual harassment at workplace. The Company also has an Internal Committee comprising of two male and two female members. During the year under review:-

a) Number of complaints filed during the financial year : NIL

b) Number of complaints disposed of during the financial year : NIL

c) Number of complaints pending as on end of the financial year: NIL

(I) Acceptance of recommendation of Committee: During the year 2019-20, all the suggestions / recommendations of all the committees of the Board, have been accepted by the Board of Directors.

25. CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THEREOF:

Certificate signed by the chief financial officer stating that the members of Board and Senior Management personnel have affirmed compliance with the code of conduct of board of directors and senior management is annexed hereto and marked as Exhibit - C to this report.

26. CEO / CFO CERTIFICATION:

The certificate is placed before the Board by the Executive Chairman and Managing Director & CFO of the Company. This certificate is being given to the Board pursuant to Regulation 17 (8) of the SEBI (LODR) Regulations, 2015 read with Schedule II Part B of the said regulations.

The aforesaid certificate duly signed by the Executive Chairman and Managing Director & CFO in respect of the financial period ended 31st March, 2020 has been placed before the Board in the meeting held on Wednesday, 29.07.2020. is annexed hereto and marked as Exhibit - D to this report.

27. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

As stipulated by SEBI a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out periodically and thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

**28. ADDRESS FOR CORRESPONDENCE:**

<p>Sadhana Nitro Chem Limited Regd. Office: Hira Baug, 1st Floor, Kasturba Chowk (C.P Tank), Mumbai - 400 004.</p> <p>Tel : 022-23865629 Fax :(91)22-23887235 E-mail :sadhananitro@sncl.com</p> <p>Website : www.sncl.com</p>	<p>Link Intime India Pvt. Ltd (RTA) (Formerly known as Intime Spectrum Registry Ltd), C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083</p> <p>Telephone No. 022-49186000 Fax No. 022-49186060 E-mail : rnt.helpdesk@linkintime.co.in</p> <p>Website: https://linkintime.co.in/contact-us.html</p>
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**EXHIBIT - A****AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To
The Members,
Sadhana Nitro Chem Limited

We have examined the compliance of conditions of Corporate Governance by Sadhana Nitro Chem Limited, for the year ended on 31st March, 2020 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI(Listing Obligations and Disclosure Requirements), Regulations 2015.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jayesh Dadia & Associates LLP.

Jayesh Dadia

Proprietor

Firm Regn. No: 121142W / W100122

Membership No: 033973

Place: Mumbai

Dated: 29.07.2020

**EXHIBIT - B****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,
The Members
Sadhana Nitro Chem Limited**

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) of **Sadhana Nitro Chem Limited having CIN L24110MH1973PLC016698** and having registered office at **Hira Baug, 1st Floor, Kasturba Chowk (C. P. Tank), Mumbai, Maharashtra, 400004** (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on March 31, 2020.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1	ASIT DHANKUMAR JAVERI	00268114	01/09/2015
2	ABHISHEK ASIT JAVERI	00273030	30/08/2018
3	SEEMA ASIT JAVERI	01768936	13/02/2014
4	ARVIND RAOJI DOSHI	00015293	17/09/1974
5	PRIYAM SHANTILAL JHAVERI	00045038	11/03/1996
6	PRADEEP NANASAHEB DESAI	01602942	12/02/2013
7	AMIT M. MEHTA	00073907	30/04/2018

For Makarand M. Joshi & Co.
Practicing Company Secretaries
Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
Place: Mumbai
Date: 16.07.2020

**EXHIBIT - C****CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THEREOF**

This is to confirm that Company has adopted the Code of Conduct for Directors and Senior Management of the Company and is available on the website of the Company.

I hereby confirm that the Company has obtained affirmation from all the Members of the Board and the Senior Management Personnel that they have complied with the Code of Conduct for the Financial Year 2019-20.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Abhishek A. Javeri
Managing Director & CFO

Place: Mumbai
Date: 29.07.2020

**EXHIBIT - D****CEO/CFO CERTIFICATE UNDER PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To
The Board of Directors,
Sadhana Nitro Chem Limited

A. I/We have reviewed the financial statements and the cash flow statement of Sadhana Nitro Chem Limited for the year ended 31st March, 2020 and to the best of our knowledge and belief:

I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. I/We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.

D. I/We have indicated to the Auditors and the Audit Committee:

- I. Significant changes in internal control over financial reporting during the year;
- II. Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Sadhana Nitro Chem Limited

Abhishek A. Javeri
Managing Director & CFO
Place: Mumbai
Date: 29.07.2020

Asit D Javeri
Executive Chairman
Place: Mumbai
Date: 29.07.2020



ANNEXURE - V

Management Discussion and Analysis Report

Industry Structure and Development

Your company is engaged in manufacture of chemical intermediates, heavy organic chemicals and performance chemicals. India emerged as one of the major source for chemical intermediates.

Opportunities & Threats

Moreover, over the last year the Chinese Government has started paying strict attention to pollution control. On several occasions, companies in the same vertical, those are involved in the same product production as your company have faced several temporary suspensions. This has not only increased costs in China, but has also further increased credibility of your company in the international markets.

Your company is in the industry since last over 47 years. It has a very high degree of operating synergy, economies of scale and high quality standards. The products of your company have diverse uses and applications in several industries ranging from paper, pharmaceutical, agro chemicals, thermal dyes, light stabilizer, aerospace, dyes and hair dyes etc. Your company has good clientele base, which is well diversified over the World.

Besides, the domestic market has shown growth.

Operational Performance

The Companies growth considering the past few years' performance has satisfactory. The Company is striving further for increasing profits. The total revenue from the operations for the year ended March 31, 2020 was at Rs. 12266 Lakhs as against Rs. 26840 Lakhs in the previous year.

Market and Outlook

Your company has comfortable order book position. Despite continued slowdown in the Global economies due to Pandemic situation, the demand of your company's end products has slowed down globally and are expected to improve.

A better product mix, operational efficiency and stringent control on the cost have contributed towards increasing productivity, production and operating margins. These factors witnessed during the year are expected to continue going forward.

The Company continued to focus on cost control at every level to improve the operational efficiency and aggressive marketing maintained the product realization is expected to maintain growth trend. Continuous efforts are being made for efficient energy and raw material consumption. The rate of flow of orders is satisfactory. Production facilities are realigned and will be expanded to meet the demand. Your company, barring unforeseen circumstances, will strive to improve the turnover and performance.



Risks and Concerns

Since raw materials form an important component of your company's value chain, foreign exchange, the impact of Covid-19 Pandemic, cost and availability of some of the key raw materials like benzene, nitric acid, caustic potash, Sulphur based chemicals, iron powder are an area of concern.

Internal Control System and Their Adequacy

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation designing and documentation of Policy on Internal Financial Control has been finalized and implemented which will be reviewed periodically and modified suitably to ensure controls. The internal audit functions are carried out by a separate firm of Chartered Accountants. The quarterly audit reports, including significant audit observations and corrective actions thereon, are presented to the Chairman of the Audit Committee.

Discussion on Financial Performance with Respect to Operational Performance

The Company's revenue from operations was at Rs. 12035 Lakhs as against Rs. 26716 Lakhs in the previous year.

Human Resources

Human Resource programs and initiatives in SNCL are aligned to meet the business needs. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance, customer focus and innovation. SNCL's strategies are based, inter alia, on processes of continuous learning and improvement.

Cautionary Statement

The Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include the impact of Covid-19 Pandemic, global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Key Financial Ratios

Sr. No	Particulars of Ratio	31.3.2020	31.3.2019	Explanation for change in Ratios
1.	Debtors Turnover	1.73	12	Due to decline in turnover
2.	Inventory Turnover	2.02	22	Due to decline in turnover
3.	Interest Coverage Ratio	11.78	10	Due to controlled borrowing
4.	Current Ratio	1.41	1.45	More or less same
5.	Debt Equity Ratio	1.77	1.14	Due to controlled borrowing
6.	Operating Profit Margin (%)	29.50	44	Due to decline in turnover
7.	Net Profit Margin (%)	19.28	22.18	Due to decline in turnover

**Details pertaining to Net-worth of the Company**

Particulars	31.03.2020 (In Rs.)	31.03.2019 (In Rs.)	Explanation for change in Net-worth
Net-worth	1,23,78,90,571	1,04,76,32,180	Escalated due to current year PAT addition.

For and On Behalf of the Board of Directors
SADHANA NITRO CHEM LIMITED

Asit D Javeri
Executive Chairman
DIN: 00268114
Place: Mumbai
Date: 29.07.2020

ANNEXURE - VII

INFORMATION REQUIRED UNDER SECTION 134(3) (m) OF COMPANIES ACT, 2013 AND RULE 8(3) OF COMPANIES ACCOUNTS RULES, 2014.

1. CONSERVATION OF ENERGY

Steps taken for further conservation of Energy:

The Company has taken several measures to conserve and optimize the use of energy such as (a) Recycling of Water (b) Use of Briquettes in place of Furnace Oil © Water harvesting.

Impact of the above measures:

The measures stated above would further improve conservation of energy, reduction in water and air pollution reduction in cost of production etc

FORM-A: FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION

	Particulars	31.03.2020	31.03.2019
1	Electricity		
a)	Purchased Unit in kwh	22,04,416	43,19,712
	Total amount (Rs.)	2,16,49,309	3,80,84,440
	Rate/Unit (Rs.)	9.82	8.81
b)	Own generation		
	Through Diesel Generator Units in (kwh)	45696	55265
	Unit per liter of diesel oil (kwh)		
	Liter of Diesel		
	Total amount (Rs.)	6,54,268	16,75,638
	Cost/Units (Rs.)	14.31	30.32
2	Furnace Oil		
	Quantity (KL)	1181.880	3,232.235
	Total Cost (Rs.)	3,65,46,184	11,05,82,652
	Average Rate (/MT)	30,922.08	34,212.44
3	Briquettes		
	Quantity (MT)	-	-
	Total Cost (Rs.)	-	-
	Average Rate (Rs./MT)	-	-
4	Water		
	Quantity (M3)	50,369	1,28,438
	Total Cost (Rs.)	19,08,276	39,76,821
	Average Rate (Rs./M3)	37.88	30.96



2. TECHNOLOGY ABSORPTION

FORM-B: FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY RESEARCH AND DEVELOPMENT

A. Specific areas in which R&D carried out by the Company.

The R&D efforts of the Company are directed towards process development, energy conservation, Pollution control, efficiency improvement and quality up-gradation.

B. Benefits derived as a result of the above R&D.

R&D efforts have resulted in development of process for several chemical intermediates, the commercial production of which are commenced, besides improving quality and operating efficiency of existing products.

C. Future Plan of Action

To continue R&D in the relevant areas to achieve its benefits

D. Expenditure on R&D

	Particulars	31.03.2020	31.03.2019
a	Capital	8,59,855	22,12,725
b	Recurring	78,74,375	41,14,645
	Total	87,34,230	63,27,370
c	Total R&D expenditure as a % of total turnover	0.76%	0.24%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

A. Efforts, inbrief, made towards technology absorption, adaptation and innovation. The Company has commenced production of some items of chemical intermediates, the process for which has been developed in R&D.

B. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. There is improvement in quality and yield of the product and has widened product range for marketing.

C. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). No imported technology during last 5 years.

3. FOREIGN EXCHANGE EARNINGS AND OUT GO

A. Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans. The Company is exporting about 73.62% of its chemical intermediate production. The total exports during the year were Rs. 8,469 Lakhs (PY Rs. 19,282 Lakhs). The Company is putting all its efforts to tap new export markets and widen its clientele base.

B. Total Foreign Exchange used and earned. (In Rs.)



	Particulars	31.03.2020	31.03.2019
i	Used:		
b	a) Imports (CIF)	11,07,57,845	15,97,14,241
	b) Other expenditure	20,14,620	78,51,683
ii	Earned:		
	Exports (F.O.B.)	82,56,40,504	1,92,82,62,106

For and On Behalf of the Board of Directors
SADHANA NITRO CHEM LIMITED

ASIT D.JAVERI
EXECUTIVE CHAIRMAN
DIN: 00268114
Place: Mumbai
Date: 29.07.2020



ANNEXURE VIII

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2020

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L24110MH1973PLC016698
Registration Date	:	21/07/1973
Name of the Company	:	SADHANANITROCHEMLIMITED
Category / Sub-Category of the Company	:	Companylimited by Shares Non-Govt. Company
Address of the Registered office and contact details	:	HiraBaug, 1stfloorKasturba Chowk, (C.P.Tank), Mumbai400004
Whether listed company	:	Yes
Name, Address and Contact of Registrar and Transfer Agent, if any	:	Link In time India Pvt. Ltd C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083. Telephone No.: 022-49186000 Fax No.: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Manufacture of Chemical Intermediates, Heavy Organic Chemicals & Performance Chemicals

All the business activities contributing 10% or more of the total turnover of the company

Sl. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1.	META AMINO PHENOL	3009	
2.	SND 27 (ODB-2)	2023	



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section of Companies Act, 2013
1.	Manekchand Panachand Trading	U67120MH1985PTC037397	Holding Company	65%	2(46)
2.	Anuchem B.V.B.A., Belgium	Not Applicable	Foreign Subsidiary	100%	2(87)
3.	Spidigo Net Private Limited	U64100GJ2016PTC086551	Foreign Subsidiary	100%	2(87)
4.	Lifestyle Networks Ltd.	U72900MH2005PTC155530	Associate		2(6)
5.	Phthalo Colours & Chemicals (I) Ltd.	U24110MH1991PTC063399	Associate		2(6)
6.	M/s Amniser Corp.	Not Applicable	Associate		2(6)

I SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	19,21,760	2,750	19,24,510	10.33	18,68,284	-	18,68,284	10.03	(0.30)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,19,21,222	-	1,19,21,222	63.99	1,19,21,222	-	1,19,21,222	63.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	1,38,42,982	2,750	1,38,45,732	74.32	1,37,89,506	-	1,37,89,506	74.02	(0.30)
(2) Foreign									(0.30)
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	19,21,760	2,750	19,24,510	10.33	18,68,284	-	18,68,284	10.03	(0.30)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,19,21,222	-	1,19,21,222	63.99	1,19,21,222	-	1,19,21,222	63.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	1,38,42,982	2,750	1,38,45,732	74.32	1,37,89,506	-	1,37,89,506	74.02	(0.30)
(2) Foreign									(0.30)
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =	1,38,42,982	2,750	1,38,45,732	74.32	1,37,89,506	-	1,37,89,506	74.02	(0.30)
(A)(1)+(A)(2)									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	720	400	1,120	0.00	720	400	1,120	0.00	-
b) Banks / FI	22,520	318	22,838	0.12	924	318	1,242	0.01	(0.11)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investor	11,660	-	11,660	0.06	42,791	-	42,791	0.23	0.17
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	34,900	718	35,618	0.19	44,435	718	45,153	0.24	0.5
(2) Non-Institutions									
a) Bodies Corp.	3,23,867	2,338	3,26,205	1.75	4,71,734	1,538	4,73,272	2.54	0.79
l) Indian									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	25,24,747	3,72,628	28,97,375	15.55	25,28,762	3,03,562	28,32,324	15.20	(0.35)
			12,99,153	6.98	12,70,994	0	12,70,994	6.82	(0.15)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	12,99,153	0	20	0	0	0	0	0	0
NBFC registered with RBI	20	0	-	0.52	-	-	-	0.55	0.3
1,01,840			96,690		1,01,840	0	1,01,840		
c) Others (specify)									
Independent Relatives Of Director	-	-							
Hindu Undivided Family	96,690	0	86,823	0.47	74,220	2,588	76,808	0.41	(0.05)
						0	34,870	0.19	0.07
Non Resident Indians (Re pat)	84,235	2,588	21,910	0.12	34,870	0	5,531	0.03	(0.08)
Non Resident Indians (Non-Re pat)	21,910	0	20,772	0.11	5,531	-			-
Clearing Members	20,772	0	-		-		-	-	
Independent Director	-	-							
Bodies Corporate	3,23,867	2,338	3,26,205	1.75	4,71,734	1,538	4,73,272	2.54	0.79
Sub-total(B)(2):	43,71,394	3,77,554	47,48,948	25.49	44,87,951	3,07,688	47,95,639	25.74	0.25
Total Public	44,06,294	3,78,272	47,84,566	25.68	45,32,386	3,08,406	48,40,792	25.98	0.30
Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-		-	-	-	-	-
Grand Total (A+B+C)	1,82,49,276	3,81,022	1,86,30,298	100	1,83,21,892	3,08,406	1,86,30,298	100	0



ii. SHAREHOLDING OF PROMOTERS:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Manekchand Panachand Trading Investment Co .P. Ltd.	1,19,21,222	63.99	0.00	1,19,21,222	63.99	0.00	- 0.84
2.	Shri. Asit D. Javeri	9,56,180	5.13	0.00	11,13,502	5.98	0.00	(0.84)
3.	Smt. Molina D. Javeri	1,59,322	0.86	0.00	2,000	0.01	0.00	-
4.	Shri. Abhishek A. Javeri	5,62,168	3.02	0.00	5,62,168	3.02	0.00	-
5.	Smt. Sadhana Rajiv Jain	58,380	0.31	0.00	58,380	0.31	0.00	-
6.	Smt. Chandrika D. Javeri	58,380	0.31	0.00	58,380	0.31	0.00	-
7.	Smt. Seema A. Javeri	36,654	0.20	0.00	36,654	0.20	0.00	-
8.	Smt. Anuradha A. Javeri	37,200	0.20	0.00	37,200	0.20	0.00	-
	TOTAL	1,38,45,732	74.31	0.00	1,37,89,506	74.02	59.78	(0.30)

iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Sr. No	Share Holders Name - Top 10 Shareholders	Shareholding	
		No. of shares	% of total shares
1.	Manekchand Panachand Trading Investment Co Pvt. Ltd At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)	1,19,21,222 No Change 1,19,21,222	63.99 - 63.99
2.	Shri. Asit D. Javeri At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. Add:- Purchased on April 26, 2019 At the End of the year (31.03.2020)	9,56,180 1,57,322 11,13,502	5.13 0.85 5.98



Sr. No	Share Holders Name - Top 10 Shareholders	Shareholding	
		No. of shares	% of total shares
3.	<p>Smt. Molinadevi Dhankumar Javeri</p> <p>At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. Less: Sold on April 26, 2019 At the End of the year (31.03.2020)</p>	<p>1,59,322 No Change (157322) 2,000</p>	<p>0.86 (0.84) 0.01</p>
4.	<p>Shri. Abhishek A Javeri</p> <p>At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)</p>	<p>5,62,168 No Change 5,62,168</p>	<p>3.02 - 3.02</p>
5.	<p>Smt. Chandrika Dhankumar Javeri</p> <p>At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)</p>	<p>58,380 No Change 58,380</p>	<p>0.31 - 0.31</p>
6.	<p>Smt. Sadhana Rajiv Jain</p> <p>At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)</p>	<p>58,380 No Change 58,380</p>	<p>0.31 - 0.31</p>
7.	<p>Smt. Seema Asit Javeri</p> <p>At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)</p>	<p>36,654 No Change 36,654</p>	<p>0.20 0 0.20</p>
	<p>At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)</p>		



iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No	Share Holders Name - Top 10 Shareholders	Shareholding	
	For each of the Directors and KMP	No. of shares	% of total shares
1.	Smt. Veena K Jagwani At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. Add: Purchase on May 03, 2019 Less: Sale on August 9, 2019 Add: Purchase on August 16, 2019	2,67,546 334 (1,60,334) 1,60,334	1.44 0 (0.58) 0.58
2.	Shri. Vinod Kumar Ohri At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)	2,12,592 No Change 2,12,592	1.14 - 1.14
3.	Nanavati Sons Private Limited At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)	1,80,000 No Change 1,80,000	0.97 - 0.97
4.	Akg Finvest Private Ltd At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. Add: Purchased on 23 Aug 2019 Add: Purchased on 30 Aug 2019 Add: Purchased on 06 Sep 2019 Less: Sold on October 11, 2019 Add: Purchased on October 18, 2019 Less: Sold on November 1, 2019 Add: Purchased on November 22, 2019 Add: Purchased on December 13, 2019 Add: Purchased on December 27, 2019 Add: Purchased on December 31, 2019 Add: Purchased on January 03, 2020	0 29,846 7,866 1,371 (23,803) 795 (63) 5,988 1,353 6,090 314 252	 0.16 0.20 0.21 (0.08) 0.09 (0.09) 0.19 0.13 0.19 0.16 0.16



Sr. No	Share Holders Name - Top 10 Shareholders	Shareholding	
		No. of shares	% of total shares
4.	Add: Purchased on January 10, 2020 Less: Sold on February 14, 2020 Add: Purchased on March 06, 2020 Add: Purchased on March 13, 2020 Add: Purchased on March 20, 2020 Add: Purchased on March 27, 2020 Add: Purchased on March 31, 2020 At the End of the year (31.03.2020)	958 (30,267) 12,621 547 40,097 46,168 104 1,00,237	0.17 (0.0038) 0.072 0.07 0.29 0.54 0.54 0.538
5.	Shri. AMIT M MEHTA At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. Less: Sold on May 03, 2019 Add: Purchased on May 10, 2019 Add: Purchased on June 14, 2020 At the End of the year (31.03.2020)	84,372 (200) 200 1000 85,372	0.00 0.00 0.00 0.00 0.4582
6.	Shri. Ketan Chhotalal Sheth At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. Less: Sold During the year Add: Purchased During the year At the End of the year (31.03.2020)	77,498 No Change (49,498) 49,498 77,498	0.416 (0.27) 0.27 0.416
7.	Shri. Mohak Amit Mehta At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)	69,500 No Change 69,500	0.373 - 0.373
8.	Shri. Harsh Amit Mehta Add: Purchased as on June 14, 2019 Add: Purchased as on June 21, 2019 At the End of the year (31.03.2020)	67,954 900 100 68,954	0.37 0 0 0.37

Sr. No	Share Holders Name - Top 10 Shareholders	Shareholding	
		No. of shares	% of total shares
9.	Shri. Nitin Rameshchandra Jani	54,784	0.29
	At the beginning of the year (01.04.2019)	-	-
	Date wise Increase / Decrease in Shareholding during the year along with reason.		
	At the End of the year (31.03.2020)	57,784	0.29
10.	Shri. Ramachandra Kamath B		
	At the beginning of the year (01.04.2019)	48,800	0.26
	Date wise Increase / Decrease in Shareholding during the year along with reason.		
	Less:: Sold as on August 02, 2019	(200)	0
	Less: Sold as on October 11, 2019	(300)	0
	Less:: Sold as on November 01, 2019	(200)	0
	Less:: Sold as on January 24, 2019	(100)	0
	At the End of the year (31.03.2020)	48,000	0.26

SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No	Share Holders Name - Top 10 Shareholders	Shareholding	
		No. of shares	% of total shares
1.	Shri. Asit D. Javeri		
	At the beginning of the year (01.04.2019)	9,56,180	5.13
	Date wise Increase / Decrease in Shareholding during the year along with reason.		
	Add: Purchased on April 26, 2019	1,57,322	0.85
2.	Shri. Abhishek A Javeri		
	At the beginning of the year (01.04.2019)	5,62,168	3.02
	Date wise Increase / Decrease in Shareholding during the year along with reason.	No Change	-
	At the End of the year (31.03.2020)	5,62,168	3.02
3.	Smt. Seema Asit Javeri		
	At the beginning of the year (01.04.2019)	36,654	0.20
	Date wise Increase / Decrease in Shareholding during the year along with reason.	No Change	-
	At the End of the year (31.03.2020)	36,654	0.20
4.	Shri. Arvind Raoji Doshi		
	At the beginning of the year (01.04.2019)	24,996	0.13
	Date wise Increase / Decrease in Shareholding during the year along with reason.	No Change	-
	At the End of the year (31.03.2020)	24,996	0.13



Sr. No	Share Holders Name - Top 10 Shareholders	Shareholding	
		No. of shares	% of total shares
5.	Shri. Pradeep Nanasaheb Desai At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)	400 No Change 400	50.00 - 0.00
6.	Shri. Priyam Shantilal Jhaveri At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)	200 No Change 200	0.00 - 0.00
7.	Shri. AMIT M MEHTA At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. Less: Sold on May 03, 2019 Add: Purchased on May 10, 2019 Add: Purchased on June 14, 2020 At the End of the year (31.03.2020)	84,372 (200) 200 1000 84,372	 0.00 0.00 0.00
8.	Shri. Nitin Rameshchandra Jani At the beginning of the year (01.04.2019) Date wise Increase / Decrease in Shareholding during the year along with reason. At the End of the year (31.03.2020)	54,784 - 54,784	0.29 - 0.29

v. INDEBTEDNESS:

	Secured Loan excluding deposits	Unsecured Loans	Inter Corporate Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal amount	77924280	-		79056211
Interest due but not paid	236318	-	1131931	236318
Interest accrued but not due			-	-
Total (i + ii + iii)	78160598	-	1131931	79292529
Changes in Indebtedness during the financial Year	2586595222 (2212449702)	- -	(1131931) -	2637492880 (2256081633)
Addition (Reduction)		8397658		-
Net Change			0	381411247
Indebtedness at the end of the financial year	374145520	7500000		
i) Principal amount	452306118	897658	-	459806118
ii) Interest due but not paid	397681	-	-	1295339
iii) Interest accrued but not due	-		-	-
Total (i + ii + iii)	452703799	8397658	0	461101457


vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR/ MANAGER:

Sr. No.	Particulars of Remuneration	Total Amount		
		Shri. Abhishek Javeri Managing Director	Shri. Asit D. Javeri Executive Chairman	Smt. Seema A. Javeri Executive Director Administration.
1.	Gross salary a. Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17 (2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	16800000	16800000	16800000
2.	Stock Option	—	—	—
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify - (Guarantee Commission)	— —	— — —	— — —
5.	Others			
	Total(A)	16800000	16800000	16800000

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration Independent Directors	Name of Directors				Total Amount
		Arvind Doshi	Priyam Jhaveri	Amit Mehta	Pradeep Desai	
1.	"Fee for attending board / committee meetings	96,000	96,000	50,000	80,000	3,22,000
	"Commission	-	-	-	-	-
	"Others, please specify	-	-	-	-	-
	Total (1)	96,000	96,000	50,000	80,000	3,22,000



Sr. No.	Particulars of Remuneration Independent Directors	Name of Directors				Total Amount
		Arvind Doshi	Priyam Jhaveri	Amit Mehta	Pradeep Desai	
2.	Other Non - Executive	-	-	-	-	-
	Directors	-	-	-	-	-
	"Fee for attending board /	-	-	-	-	-
	committee meetings	-	-	-	-	-
	"Commission	-	-	-	-	-
	"Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	96,000	96,000	50,000	80,000	3,22,000
	Overall Ceiling as per the Act	Ceiling as per the Act Rs. 1 Lakh per meeting attended per Director				

C. REMUNERATION TO KMP OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Nitin R. Jani	CFO Abhishek Javeri	Total
1.	Gross salary	-	9280000	16800000	26080000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	9280000	16800000	26080000



vii. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

For and On Behalf of the Board of Directors
Sadhana Nitro Chem Limited

ASIT D. JAVERI
EXECUTIVE CHAIRMAN
DIN: 00268114
Address: Ratnagar Palace 37 Chowpatty Seaface
Mumbai 400007
Place: Mumbai
Date: 29.07.2020



ANNEXURE - IX

Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

A. The particulars of employees, who were in receipt of remuneration not less than Rs. 60 lacs for the financial year ended on 31st March, 2020 are given below:

Name of the Employee	Asit D. Javeri	Abhishek A Javeri	Seema A. Javeri	Nitin R. Jani
Designation of Employee	Executive Chairman	Managing Director & CFO	Executive Director (Administration)	Company Secretary
Remuneration received	16800000/-	16800000/-	16800000/-	9280000/-
Nature of employment	Contractual	Contractual	Contractual	Contractual
Date of Commencement of Employment	22-01-1985	24-01-2007 & appointed as MD & CFO w.e.f. 24.7.2018	13-02-2014	11.12.1984 (As Company Secretary)
Qualification of the Employee	B. Sc. (Hon)	Graduate in Economics from North Western University, USA	B.Sc.	B.Com., A.C.A., A.C.S.
Experience of the Employee	35 years	12 years	13 years	36 years
Age of the Employee	64 years	36 years	62 years	62 years
Last Employment	Bec Chemical Pvt. Ltd.	Life Style Networks P. Ltd.	Manekchand Panachand Trading Inv. Co.P.Ltd.	Bec Chemical Pvt. Ltd.
Related to	Mrs. Seema A. Javeri & Mr. Abhishek A. Javeri	Mr. Asit D. Javeri and Mrs. Seema A. Javeri	Mr. Asit D. Javeri and Mr. Abhishek A. Javeri	None



Mr. Asit D. Javeri is related to Mrs. Seema A. Javeri & Mr. Abhishek A. Javeri, Director of the Company

B. Disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014.

I. The percentage increase in remuneration of the Executive Chairman, Executive Director (Admin), Managing Director & Chief Finance Officer and Company Secretary during the financial year 2019-20, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:

Sr. No.	Name	Designation	Remuneration for F.Y. 2019-20 (in Rs)	% increase in the remuneration for financial year 2019-20	Ratio of remuneration of Director to median remuneration of employees	Comparison of the remuneration against the performance of the company
1	Asit D. Javeri	*Executive Chairman	16800000	-62.55%	50.13	68.33% Decline in EBIDTA of Company
2	Seema A. Javeri	Wholetime Director	16800000	-41.00%	50.13	
3	Abhishek A. Javeri	Managing Director & Chief Financial Officer	16800000	-62.48%	50.13	
4	Nitin R. Jani	Company Secretary	9280000	8.30%	27.69	

II. The median remuneration of employees during the financial year was Rs.335124/-

III. There were 235 permanent employees on the rolls of the Company as on 31st March, 2020.

IV. In the financial year there was an increase of 27.85% in the median remuneration.

V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2019-20 was 19.72% and average in the managerial remuneration w.r.t the managerial personnel for the financial year 2019-20 was (-)52.89%.

VI. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.

VII. List of top 10 employees in terms of remuneration drawn



Sr. No.	Name the Employee	Designation	Remuneration	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification
1	Pranav S. Shah	CEO (SBU)	4455000	01.01.2018	53	Einfo chips Ltd.	B.E.M.S(Com)
2	Nikunj M. Shah	Manager (Protocols)	3210000	01.01.2018	37	Strix Wireless Systems P.Ltd.	B.E. (Comp. Engg.)
3	Pankaj Lanjewar	Manager(IT)	1524100	01.07.2018	36	Life Style Networks Ltd.	B.Com.
4	Bankim I. Rana	Sr.Software Engineer	1479000	01.01.2018	41	Strix Wireless Systems P.Ltd.	B.E. (Comp. Engg.)
5	R.M Gandhi	DGM (Accounts)	1200000	14.08.1977	62	1st Employment	B.Com.
6	G.K Kutty	DGM (Prodn)	1200000	21.03.1979	67	1st Employment	BSc (Chem)
7	V. Rama-krishnan	DGM (Admn.)	1200000	22.06.1987	67	RDC Muscut	S.S.L.C
8	M.M. Bhate	DGM (Project)	1200000	01.11.1993	62	IBI Chemaure Pvt. Ltd	D.Mech (Draftsman)
9	V J MODI	DGM (Sales)	1200000	01.04.2018	72	1st Employment	B.Com.
10	A.R Prabhu	Manager (A&F)	1140006	08.11.1993	61	Metro Vidyut	B.A.
11	Vilas B. Pawar	Manager (Account)	1140006	06.08.2009	60	Everest Developers	B.Com.
12	Bharat M. Shelar	Manager (Accounts)	1140006	15.05.2008	43	Schandon Fashion Pvt Ltd.	B.Com.

None of the Employee is relatives of Directors or Manager or KMP. All Employees are Permanent

For and On Behalf of the Board of Directors
SADHANA NITRO CHEM LIMITED

ASIT D.JAVERI
EXECUTIVE CHAIRMAN
DIN: 00268114
Place: Mumbai
Date:29.07.2020



Annual Secretarial Compliance Report of Sadhana Nitro Chem Limited For the Financial Year ended March 31, 2020

To
The Board of Directors,
Sadhana Nitro Chem Limited
Hira Baug, 1st Floor Kasturba Chowk
(C.P. Tank) Mumbai 400004

We, M/s. MMJB & Associates LLP., Practicing Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Sadhana Nitro Chem Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended March 31, 2020 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (hereinafter called the "Listing Regulations")
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- d) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - (Not Applicable to the Company during the Audit Period)
- f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)
- h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable to the Company during the Audit Period)
- i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

and circulars/ guidelines issued thereunder and also SEBI Circular CIR/CFD/CMD1/114/2019 dated 18/10/2019 regarding Resignation of statutory auditors from listed entities and their material subsidiaries;

and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
As per SEBI (Prohibition of Insider Trading) Regulations, 2015, The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number.	The structural digital data base is not in place	With effect from 1st April, 2019 the Company is required to maintain structured digital database in accordance with the regulation. However, the same is not in place during the year under review.
As per SEBI Circular SEBI/HO/ISD/ISD/CIR/P/2019/82 dated 19th July, 2019, and in terms of Regulation 9(1) and 9(2) of PIT ((Prohibition of Insider Trading) Regulations, 2015 the Board of Directors of every listed company and the Board of Director or head(s) of the organization of every intermediary and fiduciary are required to formulate a Code of Conduct for designated persons and their immediate relative and monitor its compliance and promptly inform SEBI about any violation of the Code of Conduct in accordance with Clause 13 of Schedule B	Non - Reporting of violation related to Code of Conduct to SEBI	In few instances Designated Employees of the Company has done Contra Trade and Trading under Window Closure period, which is a violation of Code of Conduct. The Company is in process of reporting the same to Securities and Exchange Board of India / Stock Exchange



Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Regulation 27(2) of SEBI Listing Regulations "The listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within fifteen days from close of the quarter"	Delay in submission of Corporate Governance Report to Stock Exchange	The Company has not submitted quarterly compliance report on corporate governance to the recognised stock exchange(s) within fifteen days for quarter ended 31st March, 2019 and 30th June, 2019

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/guidelines issued thereunder.

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
Not Applicable				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Delay in submission of outcome of Board Meeting to Stock Exchanges as per Regulation 30 read with Schedule III of SEBI Listing Regulation	The listed entity is required to disclose outcome of the Board Meeting to the Exchanges(s), within 30 Minutes of the closure of the Meeting. However, in few instances Company has submitted the Outcome beyond the mandated period of 30 minutes from conclusion of Board Meeting.	Suitable steps have been taken by the Company to ensure compliance with Reg 30	



Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
2	The intimation made to Stock Exchange for appointment of Amit Mehta as Additional Director was not in compliance with SEBI Circular dated 9th September, 2019	The listed entity needs to disclose details for the events that are material to the Stock Exchange in the specified format. However, the Company has not complied with the same.	The same has been addressed and all the intimations made after that event are done in the format as specified by the Board.	
3	Delay in submission of Corporate Governance Report to Stock Exchanges as per Regulation 27(2) of SEBI Listing Regulations	The listed entity shall submit a quarterly compliance report on corporate governance to the recognised stock exchanges within fifteen days from the close of the quarter ended December, 2018	The causes of delay have been identified and suitable steps have been taken to avoid such delay.	
4	Delay in advertising the notice of the Board Meeting in the newspaper as per Regulation 47(3) of SEBI Listing Regulations	The Company is required to advertise in the newspaper the notice of the Board Meeting dated 22nd January, 2019, simultaneously with the submission of the same to the stock exchange(s)	The causes of delay have been identified and suitable steps have been taken to avoid such delay.	
5	Non submission of Regulation 7(3) intimation to stock exchange	In two instances Designated Employees has traded in the securities of the Company for a value of more than ten lakh rupees. The Company has not intimated the same to the stock exchange within two trading days	The Company has taken serious steps to avoid any violation to the Code of Conduct under the SEBI Regulations	



Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
6	Execution of Contra-trade by designated person as per Clause 10 of Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015	In few instances Designated Employees of the Company has made contra trade which is in contravention of the provisions of Insider Trading	The Company has taken serious steps to avoid any violation to the Code of Conduct under the SEBI Regulations	
7	Trade by Designated Employee during window closure period as per Clause 4 of Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015	In one instance Designated Employee has traded in the Equity Shares of the Company during the period of Window Closure	The Company has taken serious steps to avoid any violation to the Code of Conduct under the SEBI Regulations	
8	Penalty levied by BSE for delay filling in Corporate Governance Report to Stock Exchange	Penalty of Rs. 23,600/- was levied by BSE to the Company for late filling of Corporate Governance Report to Stock Exchange	The causes of delay have been identified and suitable steps have been taken to avoid such delay.	

For MMJB & Associates LLP
Practicing Company Secretaries

Bhavisha Jewani
Designated Partner
FCS No. 8503
CP. No. 9346
UDIN: F008503B000525901
Place: Mumbai
Date: 27th July, 2020



ANNEXURE -VI TO DIRECTORS REPORT

Business Responsibility Report 2019-20

Introduction

Our Business Responsibility Report 2019-20 follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs (MCA), Government of India. Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

Section A: General information about the Company

1	Corporate Identity Number (CIN) of the Company	L24110MH1973PLC016698
2	Name of the Company	SADHANA NITRO CHEM LIMITED
3	Registered address	Hira Baug, 1st floor Kasturba Chowk (C.P. Tank), Mumbai 400004
4	Website	www.sncl.com
5	Email ID	sadhananitro@sncl.com
6	Financial year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Commodity Chemicals
8	List three key products / services that the Company manufactures / provides (as in Balance Sheet)	1.META AMINO PHENOL - 3009 2.SND 27 (ODB-2)- 2023 3.ANDS
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	Three national location (1) Factory at Roha, Raigad Dist., Maharashtra (2) Office at 10 Bruce Street, Fort, Mumbai 400 001 (3) Regd. office at Hira Baug, C.P. Tank, Mumbai 400 004.
10	Markets served by the Company - Local / State / National / International	Local - MAHARASHTRA & GUJARAT International - Belgium / Spain / Poland/ France/ Germany / Switzerland/ Egypt/ Brazil / Argentina / Mexico / Chain / Japan / S. Korea / Thailand / Taiwan

Section B: Financial details of the Company

1	Paid-up capital	93,151,490
2	Total turnover	1,22,54,59,923
3	Total profit after taxes	23,02,49,612
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	Nil as CSR Committee is searching CSR project/CSR Institution on which company will be spending the CSR fund.
5	List of activities in which expenditure in 4 above has been incurred	Nil as above.

Section C: Other details

1	Does the Company have any subsidiary company/ companies	1. Anuchem B.V.B.A., Belgium 2. Spidigo Net Private Limited
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	The Company has not mandated any supplier, distributor etc. to participate in the BR initiatives of the Company. However, they are encouraged to adopt BR Initiatives and follow the concept expected from responsible businesses.

Section D: BR information

1. Details of Director / Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number - 00268114
2. Name - Asit D. Javeri
3. Designation - Executive Chairman

(b) Details of the BR head

1. DIN Number - 00273030
2. Name - Abhishek A. Javeri
3. Designation - Managing Director & CFO
4. Telephone Number- 022 - 68663301
5. E-mail id abhishekjaveri@sncl.com



2) Principle-wise (as per National Voluntary Guidelines) Business Responsibility (BR) policy / policies (reply with Yes / No)

Respect and Integrity for its people, environment and other businesses have always been at the heart of your Company's Corporate Responsibility. Your Company's Corporate Purpose is to make Sustainable Living Commonplace and it believes that this is the best way to deliver long-term sustainable growth.

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Products Lifecycle Sustainability [P2]

Principle 3: Employees' Well-being [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Environment [P6]

Principle 7: Policy Advocacy [P7]

Principle 8: Inclusive Growth [P8]

Principle 9: Customer Value [P9]

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes, Company's Code of Conduct sets out the principle & practices that must be observed toward Business Partners and Third Parties.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes, while formulating the policy documents - rights & obligations of concerned stakeholders are analysed in view of best Industry Practices.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Integrity, Transparency and Fairness are the cornerstones within the Company. The Company believes in bench marking practices and national standards - to the best possible extent.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	<p>All Statutory Policies and Codes are adopted considering prevailing Legal requirements and approvals of respective bodies, Board of Directors, its Committees and Company Management.</p> <p>All the Policies are approved by Board and signed by the Managing Director or Chairman which are subject to review by the management or any committee thereof at regular intervals.</p>								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	<p>The supervision of the implementation mechanism of all the Policies & Codes are presented and reviewed by the respective board committee periodically.</p> <p>And the findings of the review are presented to the Board at regular intervals.</p>								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	www.sncl.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, requisite awareness programs are carried out and communicated to all the stakeholders, which help them understand behavioral expectation from them.								
8	Does the company have in-house structure to implement the policy/ policies?	In critical areas such as Safety, advance trainings and workshops with specific focus have been conducted time to time								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Company' Vigil Mechanism / Whistle Blower Policy is an effective tool towards grievance redressal mechanism.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	In addition to the Statutory Audits, Certification, a periodical internal assessment is a part of our culture to oversee implementation of principles laid down.								

2a. If answer to Sl. No. 1 against any principle is 'No', please explain why (tick up to two options) - Not applicable

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	Not Applicable								
	The company has not understood the Principles									
	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
	The company does not have financial or manpower resources available for the task									
	It is planned to be done within next 6 months									
	It is planned to be done within the next 1 year									
	Any other reason (please specify)									



3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

- Annually

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR will be published as a part of our Annual Report for the Financial year 2019-20 and the same will be available at <http://www.sncl.com/financials.htm>

Section E: Principle-wise performance

P1-Businesses should conduct and govern themselves with ethics, transparency, and accountability.

Sr. No.	Description	Response
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	<p>The Core Values, which govern working of the Company, are Care, Excellence and Integrity. The Company nurtures - a culture of high integrity and is proud that its employees demonstrate behavior that is honest and transparent. The Company has adopted the Code of Conduct ('CoC' or 'Code') with the aim to follow and maintain the highest ethical and moral standards, in compliance with the applicable laws, and in a manner that excludes considerations of direct and indirect personal advantage / gains.</p> <p>The Code applies to every employee, director and officer of the Company, suppliers, customers, contract staff, contractors and consultants who are working on behalf of / for the Company (through outsourcing of services, processes or any business activity), are required to act consistently in accordance with the CoC.</p> <p>The Company's Directors and the members of the Senior Management are required to submit an affirmation on the Compliance of the CoC.</p> <p>The Company's commitment towards doing business responsibly is built upon its CoC and is complemented by Well? structured internal control systems for regular assessment of effectiveness of company's code of conduct, its understanding and adherence.</p> <p>A robust governance structure that evaluates and monitors Compliance to the Code.</p>



Sr. No.	Description	Response
1.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management	An effective vigil mechanism/whistle blower policy is in place to report to the management, instances on unethical behavior and any violation of the Company's Code of Conduct. The Company has not received any stakeholder complaints in the past financial year. Further, the Company has instituted an Internal Complaints Committee to redress complaints received regarding sexual harassment. No complaint was received in 2019-20.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

Sr. No.	Description	Response
2.1	List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	<p>Product 1- Nitrobenzene Used in the manufacture of Aniline, Dyes, Pharmaceutical & Agrochemicals.</p> <p>Product 2- Metanilic Acid Used in Dye Intermediate used in the manufacture of Azo Dyes, Direct Dyes, Reactive Dyes, Fluorescent brightening agent.</p> <p>Product 3- Aniline 2,4 Disulfonic Acid Used in Manufacture of Dyes</p>
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional)	The Company endeavors to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. The main raw materials are procured from manufacturers / producers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to mitigate the impact on climate.
2.3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	<p>Environment protection is a fundamental consideration in the proper development of all our activities.</p> <p>Our environmental consciousness is given as much importance as our emphasis on quality</p>



Sr. No.	Description	Response
2.4	List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	<p>In response to the growing concerns over environment, health and safety issues, we devote considerable time, money and resources to ensure the minimization of air and water pollution, safe effluent treatment and disposal, emissions reporting and mitigation of hazardous accidents.</p> <p>Our Company has been awarded the ISO 9001:2008 Status accredited to companies committed to producing high quality chemicals intermediaries</p> <p>Certification for the ISO 14001:2004 and OHSAS B.S. 18001:2007 is under process</p>
	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p>Yes, to the extent possible, the goods are procured from local and small producers. The Company maintains an equitable balance for sourcing its raw materials.</p> <p>The Company insists that its vendors constantly upgrade the process of manufacturing and thereby enhance their competencies to match the requisite quality.</p> <p>Several community development and training initiatives are regularly conducted in order to educate the local vendors, improve their capability, enhance their skills and raise their scope for employment and their standard of living.</p>
	<p>Does the Company have a mechanism to recycle products and waste?</p> <p>If yes, what is the percentage of recycling of products and waste</p>	<p>In today's global scenario, the significance of safety and health issues cannot be undermined. In fact it is vital in achieving productivity, as well as a competitive edge. In response to the growing concerns over environment, health and safety issues, we devote considerable time, money and resources to ensure the minimization of air and water pollution, safe effluent treatment and disposal, emissions reporting and mitigation of hazardous accidents.</p> <p>We ensure that the effluents are correctly treated and discharged as per the stringent norms of the Pollution Board. Tree plantations and greenery development are encouraged throughout the factory in order to conserve and preserve the environment.</p> <p>Certification for the ISO 14001:2004 and OHSAS B.S. 18001:2007 is under process.</p>

P3 Businesses should promote the wellbeing of all employees.

Sr. No.	Description	Response
3.1	Please indicate the total number of employees	231
3.2	Please indicate the total number of employees hired on a temporary / contractual / casual basis.	Contractual workers:65
3.3	Please indicate the number of permanent women employees	14
3.4	Please indicate the number of permanent employees with disabilities.	NIL
3.5	Do you have an employee association that is recognized by the Management?	YES - WORKERS UNION
3.6	What percentage of your permanent employees are members of this recognized employee association?	23%
3.7	Please indicate the number of complaints relating to child labor, forced labor, involuntary labor and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year.	NIL
3.8	What percentage of your under mentioned employees were given safety and skill upgradation training in the last year? "Permanent employees "Permanent women employees "Casual / temporary / contractual "Employees "Employees with disabilities	 100% 100% ABOUT 90% NONE



P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

Sr. No.	Description	Response
4.1	Has the Company mapped its internal and external stakeholders?	Yes, the Company has mapped its internal and external stakeholders. The key stakeholders of the Company include its Customers, Regulatory Authorities including Government, Employees, Vendors, Contractors, Bankers, Investors and Shareholders.
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	All the stakeholders are equally important for the Company and none of the stakeholders are considered as disadvantaged, vulnerable and marginalized.
4.3	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so.	NONE

P5 Businesses should respect and promote human rights.

Sr. No.	Description	Response
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures / Suppliers /Contractors / NGOs / Others?	Yes, all employees and contractors are covered by CoC standards. Not only our intentions, but also our actions are compliant with all statutory laws and regulations.
5.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?	Our stakeholder engagement processes are robust and have strong listening mechanisms. In the financial year, there were no human rights violation complaints relating either to child, forced and involuntary labor, discriminatory employment against the Company or any other stakeholder complaints.


P6 Business should respect, protect, and make efforts to restore the environment.

Sr. No.	Description	Response
6.1	Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company has its own set of principles when it comes to utilising natural and manmade resources. The Company endeavors that it is implemented at all these levels and the Suppliers/Contractors/NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices.
6.2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	The Company is in the process of formulating strategies to address global environmental issues taking into consideration
6.3	Does the Company identify and assess potential environmental risks?	<p>Yes, we have a proper mechanism to identify and assess the potential environmental risks on a regular basis and also do the after follow-ups for the same to ensure the proper actions to cater to those identified risks.</p> <p>Certification for the ISO 14001:2004 and OHSAS B.S. 18001:2007 is under process</p>
6.4	Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed?	Currently we do not have any project related to Clean Development Mechanism.
6.5	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	<p>SNCL is dedicated to developing new application possibilities and maintaining continuous improvement of existing applications. This is keeping in with the trend to fulfill greater customer needs world over.</p> <p>In 1992, SNCL set up its own Government approved R&D Laboratory, housing sophisticated instruments and equipment to carry out developmental work on various downstream derivatives.</p> <p>For SNCL, the future holds immense promise. While the forward integration continues,</p>



Sr. No.	Description	Response
		diversification and expansion for establishing innovative customer-designed processes is on the anvil. The adoption of rigid quality standards, customized R&D efforts coupled with flexibility of supply and speed of delivery has ensured reliability and dependability with our quality conscious and discerning clients.
6.6	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes, we comply with all applicable environmental legislations in the locations we operate from. We monitor and track all parameters as defined by CPCB or SPCBs and ensure that they are maintained within norms.
6.7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on the end of the financial year.	We did not have any monetary or non-monetary sanctions imposed on us for non-compliance with environmental laws and regulations during the year under review.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Sr. No.	Description	Response
7.1	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	BOMBAY CHAMBER OF COMMERCE, INDO GERMAN CHAMBER OF COMMERCE
7.2	Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	No



P8 Businesses should support inclusive growth and equitable development.

Sr. No.	Description	Response
8.1	Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof.	At SNCL the underlying value system has a firm belief that only in a healthy society healthy businesses flourish. The Company's Policy on Corporate Social Responsibility has been put in place to facilitate and formalize the CSR processes, set up a guiding structure and define broader thematic areas for projects and programs.
8.2	Are the programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization?	The Company is in the process of identifying, evaluating & selecting the suitable partners through which we can carry out our CSR goals.
8.3	Have you done any impact assessment of your initiative?	The same will be done as per our CSR policy in accordance with the laid down criteria.
8.4	What is your Company's direct contribution to community development projects - amount in and the details of the projects undertaken.	The same shall be provided in the forthcoming years.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Yes, the same shall be ensured in accordance with our CSR policy.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Description	Response
8.1	What percentage of client complaints / consumer cases are pending as on the end of the financial year?	We resolve all the customer queries and complaints in timely and efficient manner. There are no long-standing complaints that are pending resolution.



Sr. No.	Description	Response
8.1	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information).	We display the information on products as mandated by law or by any statutory local body.
	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years and pending as on the end of the financial year? If so, provide the details thereof, in about 50 words or so.	No complaints or case has been filed against the Company for irresponsible advertising and anti-competitive behaviour.
	Did your Company carry out any consumer survey / measure consumer satisfaction trends?	Not during recently concluded financial year but we endeavor to conduct it in the forthcoming years.



INDEPENDENT AUDITORS' REPORT

To the Members of Sadhana Nitro Chem Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of M/s. Sadhana Nitro Chem Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Adoption of IND-AS 116, "Leases"	
As described in note no. 2.05 to the standalone financial statements, the Company has adopted IND AS 116 Leases (Ind-AS 116) in the current year. The application & transition to this accounting standard is an area of focus in our audit since the company has a number of leases with different contract terms.	Our audit procedures on adoption of Ind AS 116 include:
Ind-As 116 introduces a new lease accounting	<ul style="list-style-type: none"> - Assessed the Group's evaluation on the identification of leases based on the contractual agreements; - Assessed the reasonableness of the discount rates applied in determining the



The Key Audit Matter	How the matter was addressed in our audit
<p>Adoption of IND-AS 116, "Leases"</p> <p>model, wherein a lessee is required to recognize a right-of-use (RoU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgement & estimates including determination of the discount rates.</p>	<p>lease liabilities.</p> <ul style="list-style-type: none"> - Upon transition as at 1st April, 2019: <ul style="list-style-type: none"> • Evaluated the method of transition and related adjustments; • Tested completeness of the lease data by reconciling the Group's operating lease commitments to data used in computing RoU asset and the lease liabilities. - Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to transaction.

Emphasis of Matter

We draw attention to Note 39 to the standalone financial statements regarding the uncertainties arising out of the outbreak of Covid-19 pandemic and the assessment made by the management on its operations and the financial reporting for the year ended 31st March, 2020. Such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Further the COVID-19 outbreak has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability of the Company to conduct a physical verification of inventories for the year-end 31st March, 2020 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns.

The Company's management, however, conducted physical verification of inventories on dates other than the date of financial statements but prior to the date of the board meeting to be held for the purpose of adopting the financial results at certain locations (factories and warehouses) and has made available the documents in confirmation thereof.

Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the



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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,



the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

e. On the basis of the 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 of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer note 40 to the standalone Ind AS financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Companies Act, 2013.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 29th July, 2020
UDIN:20033973AAAAAX8967



Annexure A to the Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone IND-AS financial statements for the year ended 31st March, 2020, we report that:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) Property, plant and equipment have been physically verified by the Management during the year based on a phased program of verifying all property, plant and equipment over three years, which in our opinion is reasonable having regard to the size of the company and the nature of its Assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, the inventories have been physically verified during the year by the management, except for stock in transit. The intervals at which the inventories are physically verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) As informed to us & on the basis of our examination of the books of accounts & other relevant records, the Company has granted loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted were not, prima facie, prejudicial to the interest of the Company.

(b) According to the information & explanation given to us and based on our examination of the records of the Company, no repayment schedule for principal & interest payments has been stipulated. Therefore, we are unable to comment upon the regularity of repayment of principal & payment of interest.

(c) Since the repayment schedule of the loans given has not been stipulated, we are unable to comment as to whether any amount is overdue for period of more than ninety days.

(iv) In our opinion & according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given & investments made. The Company has not provided any guarantees / security.

(v) In our opinion & according to the information & explanation given to us, the Company has not accepted any deposits from the public during the year. Therefore paragraph 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies



Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information & explanations provided to us & on the basis of our examination of the books of accounts & other relevant records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2020 for a period of more than 6 months from the date they became payable except the following:

Name of Statute	Nature of Dues	Period to which the amount	Amount involved (₹)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Interest on delayed payment	F.Y. ended March 2013 to June 2018	21,33,270/-
Income Tax Act, 1961	Tax Deducted At Source	F.Y. 2017-18	2,07,939/-
The Gujarat State Tax on Professions, Traders Callings and Employments Act, 1976	Profession Tax	- F.Y. 2017-18 - April'19	16,480/- 13,400/-
Employee's State Insurance	ESIC	April'19	44,459/-

(b) According to the information and explanations given to us, details of disputed statutory dues which have not been deposited or partially deposited are as follows:

Name of the Statute	Nature of Dues	Amount disputed (₹)	Period to which the amount relates (F.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	55,180/-	2013-14	CIT (Appeals)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Demurrage of Provident Fund Dues	58,76,715/-	F.Y. ended March, 2013 to June, 2018	Employees Provident Fund Appellate Tribunal



(viii) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowings to banks or financial institutions.

(ix) According to the information & explanation given to us and based on our examination of the records of the company, the Company has not raised any money by way of initial public offer or further public offer including debt instruments during the year. Further, the term loans obtained by the Company have been applied for the purpose for which they were raised.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information & explanations given to us, the Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.

(xiii) In our opinion and according to the information & explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review.

(xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him/her as specified under the provisions of section 192 of the Companies Act, 2013,.

(xvi) The Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

JayeshDadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 29th July, 2020
UDIN: 20033973AAAAAX8967



Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report.

Opinion

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

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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal 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 Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the



assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

JayeshDadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 29th July, 2020
UDIN: 20033973AAAAAX8967

FIVE YEAR HIGHLIGHTS

(Rs. In Lakh)

RESOURCES	2019-20	2018-19	2017-18	2016-17	2015-16
Capital	931.51	931.51	931.51	920.08	1880.08
Reserve	11356.2	9544.81	3673.55	159.18	(1156.73)
Net Worth	12287.71	10476.32	4605.06	1079.26	723.35
State Govt. Sales Tax Incentives	0	0	0	6.54	12.48
Other Borrowings	4554.11	716.42	1490.74	3551.68	3365.94
TOTAL	16841.82	11192.74	6095.80	4637.48	4101.77
UTILISATION OF RESOURCES					
Fixed Assets	17233.00	14432.11	12458.20	11871.66	10921.87
Less: Depreciation	8168.00	7578.83	7462.98	7303.23	7111.02
Net Fixed Assets	9065.00	6853.28	4995.22	4568.43	3810.85
Investments	558.89	527.95	7.78	7.71	7.71
Net Current Assets	7217.93	3811.51	1092.8	61.34	283.21
TOTAL	16841.82	11192.74	6095.80	4637.48	4101.77
Revenue from operations:-					
Sales of Products / Services	11711.58	25976.52	10789.92	5745.49	3450.05
other operative revenue	323.41	739.63	302.51	155.04	57.60
Other income	231.59	124.13	22.33	48.10	16.21
TOTAL REVENUE	12266.58	26840.28	11114.76	5948.63	3523.86
EXPENDITURE:-					
Cost of Materials consumed / Purchase of Stock in Trade	3919.3	9269.41	4191.44	3352.02	1902.10
Changes in inventories of finished goods, work in progress and stock in trade	13.98	(2123.46)	(147.12)	(452.30)	(48.94)
Employee Benefit cost	1529.29	3027.76	974.87	776.3	568.13
Financial cost	280.61	1187.00	510.29	625.89	507.17
Depreciation	525.53	284.77	188.16	192.21	200.38
Other expenses	2880.33	4565.03	2569.34	1360.74	879.44
TOTAL EXPENDITURE	9149.04	16210.51	8286.98	5854.86	4008.28
Profit /loss before Tax & Exceptional Items	3117.54	10629.77	2827.78	93.77	(484.42)
Add : Profit on Sale of Assets / Investment / Exceptional Items	0	0	0	0	0.00
Less : Tax Expenses	767.89	3098.75	(309.19)	0	0.00
Profit /(Loss) After Tax	2349.65	7531.02	3136.97	93.77	(484.42)



Sadhana Nitro Chem Limited
Balance Sheet as at March 31 , 2020

Amount in Rs

		Particulars	Note	As at March 31, 2020	As at March 31, 2019
A		<u>ASSETS</u>			
	I	Non-current assets			
		(a) Property, Plant and Equipment	3	756,322,395	669,784,576
		(b) Capital work-in-progress	3	150,264,545	15,543,597
		(c) Financial Assets			
		(i) Investments	4A	772,549	772,549
		(ii) Loans	5A	68,508,169	831,619
		(d) Other non current assets	8A	42,293,713	28,398,503
		Total Non-current assets		1,018,161,372	715,330,844
	II	Current assets	9		
		(a) Inventories		403,159,854	386,130,635
		(b) Financial Assets			
		(i) Current Investments	4B	55,116,248	52,022,442
	I	(ii) Trade receivables	10	515,267,706	340,223,559
		(iii) Cash and cash equivalents	11	4,229,388	87,447,701
		(iv) Bank Balances other than (iii) above	12	2,176,255	2,801,925
B		(v) Loans	5B	281,831	1,113,679
		(vi) Other financial assets	6A	50,825,704	56,693,236
	II	© Other current assets	8B	134,222,000	144,889,165
		Total Current Assets		1,165,278,983	1,071,322,343
		TOTAL		2,183,440,356	1,786,653,187
		<u>EQUITY AND LIABILITIES</u>			
	III	Equity			
		(a) Equity Share capital		93,151,490	93,151,490
		(b) Other Equity	13	1,135,619,820	954,480,691
		Total Equity	14	1,228,771,310	1,047,632,181
		Liabilities			
		Non-current liabilities			
		(a) Financial Liabilities	15A		
		(i) Borrowings		20,398,871	28,304,127
		(b) Provisions	17a	39,613,444	23,655,488
		(c) Deffered Tax Liabilities	7	28,244,161	15,900,983
		(d) Other non-current liabilities	18a	45,804,672	-
		Total Non current liabilities		134,061,148	67,860,598



Sadhana Nitro Chem Limited
Balance Sheet as at March 31 , 2020

				Amount in Rs	
Particulars		Note		As at March 31, 2020	As at March 31, 2019
III	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	15B		435,022,267	43,337,931
	(ii) Trade payables	19			
	(a) Due to micro & small enterprises			4,355,787	8,157,010
	(b) Due to other than micro & small enterprises			208,309,260	267,819,923
	(iii) Other financial liabilities	16		56,040,520	77,639,813
	(b) Provisions	17B		24,566,368	34,134,902
	(c) Income Tax Liabilities (net)			32,212,270	144,549,247
	(d) Other current liabilities	18a		60,101,425	95,521,582
	Total Current liabilities			820,607,898	671,160,408
	TOTAL			2,183,440,356	1,786,653,187

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 41)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Arvind R Doshi
Director

Abhishek A Javeri
Managing Director & CFO

Priyam S Jhaveri
Director

Smt. Seema A Javeri
Executive Director
Administration

Pradeep N Desai
Director

Nitin R Jani
Company Secretary

Amit M Mehta
Director



Sadhana Nitro Chem Limited
Statement of Profit & Loss for 31 st March 2020

Amount in Rs

Audited

	Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
(I)	INCOME			
(II)	Revenue from operations	20	1,203,499,047	2,671,614,908
(III)	Other Income	21	23,158,936	12,412,976
(IV)	Total Income (II + III)		1,226,657,983	2,684,027,884
(V)	EXPENSES			
	(a) Cost of raw materials & packing materials consumed	22A	391,930,018	926,941,268
	(b) Changes in inventories of finished goods and work-in-progress	22B	1,397,720	(212,346,221)
	(d) Employee benefits expense	23	152,927,905	302,775,779
	(e) Finance costs	24	28,060,533	118,700,160
	(f) <u>Depreciation and amortization expense</u>			
	Depreciation expense		52,553,265	28,476,762
	(g) Other expenses	25	288,033,429	456,503,325
	Total Expenses (a to g) (V)		914,902,875	1,621,051,074
(VI)	Profit before exceptional items and tax (IV - V)		311,755,112	1,062,976,810
(VII)	Exceptional Items		-	-
(VIII)	Profit Before Tax (VI - VII)		311,755,112	1,062,976,810
(IX)	Tax Expense			
	(a) Current tax		84,900,000	285,169,219
	(b) Mat credit entitlement		(19,475,406)	(23,764,379)
	(c) Deferred tax		11,365,460	48,470,045
	Total Tax Expense (a to c) (IX)		76,790,054	309,874,885
(X)	Profit for the year (VIII - IX)		234,965,058	753,101,925
(XI)	Other Comprehensive Income/(Expense) (net off tax)			
	<u>(I) Items that will not be re-classified subsequently to profit or loss</u>			
	Re-measurement on defined benefit plans		(941,746)	(2,728,437)
	Change in Fair value of Current Investments through other comprehensive income		1,832,682	1,918,946
(XII)	Total Other Comprehensive Income		890,936	(809,491)
(XIII)	Total Comprehensive Income (X + XII)		235,855,994	752,292,434
(XIV)	Earnings per equity share (Rs.)			
	(1) Basic & Diluted [Face Value Rs 1 Per Share (P.Y Rs 5 Per Share)]	27	2.52	40.42



The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 41)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Arvind R Doshi
Director

Abhishek A Javeri
Managing Director & CFO

Priyam S Jhaveri
Director

Smt. Seema A Javeri
Executive Director
Administration

Pradeep N Desai
Director

Nitin R Jani
Company Secretary

Amit M Mehta
Director



Sadhana Nitro Chem Limited
Statement of standalone Cash Flows for the year ended March 31, 2020

Particulars	Amount in Rs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	31,17,55,112	1,06,29,76,810
Adjustments for:		
Depreciation and amortisation expenses	5,25,53,265	2,84,76,762
Share based compensation expense	-	97,06,989
Finance costs	2,80,60,533	11,87,00,160
Interest received	(95,15,091)	(32,88,708)
Unrealised Foreign Exchange (Gain)/Loss	58,75,661	14,50,749
Dividened	(4,89,881)	-
Reversal of ESOP Expenses	(97,06,989)	-
Provision for Doubtful Debts	8,19,959	-
Changes in Other comprehensive Income	(13,28,648)	(11,38,559)
Operating profit / (loss) before working capital changes	6,62,68,809	15,39,07,393
Changes in working capital:	37,80,23,921	1,21,68,84,202
Inventories	(1,70,29,219)	(16,78,73,868)
Trade receivables	(18,17,39,766)	(26,12,33,322)
Loans & Advances	(5,28,719)	(4,38,338)
Other Current Assets	58,66,873	4,64,24,899
Trade Payables	(6,26,47,358)	14,07,35,646
Current Liability	(5,70,19,449)	(37,65,47,424)
Provisions	63,89,422	1,65,58,238
Cash generated from operations	(30,67,08,215)	(60,23,74,168)
a.Direct Taxes (Paid)	7,13,15,706	61,45,10,034
Net cash flow from / (used in) operating activities (A)	(17,77,61,571)	(9,05,45,200)
	(10,64,45,866)	52,39,64,834
B. Cash flow from / (used in) investing activities		
a.Purchase Of Property , plant and equipment	(22,08,55,137)	(20,71,97,223)
b.Sale of Property , plant and equipment	-	16,59,218
c. (Acquisition)/Sale of Investment(Net)	7,29,166	(5,01,04,496)
d.Loan given to wholly owned subsidiary	(6,63,15,983)	-
e. Dividened Received	4,89,881	-
f.Interest received	62,87,706	6,97,471
Net cash flow from / (used in) investing activities (B)	(27,96,64,366)	(25,49,45,031)
	(27,96,64,366)	(25,49,45,031)
C. Cash flow from / (used in) financing activities		
a.Long Term Borrowings -Net of Repayment	(79,05,257)	(1,13,851)
b. Short Term Borrowings -Net of Repayment	39,06,73,052	-
b.Preference shares redeemed	-	(9,60,00,000)
d.Interest Paid	(2,29,85,497)	(11,87,60,140)
e.Dividend paid including dividend distribution tax	(4,50,09,876)	(1,12,30,344)
payment towards lease liabilities	(1,28,91,785)	-



**Sadhana Nitro Chem Limited
Statement of standalone Cash Flows**

Particulars	Amount in Rs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net cash flow from / (used in) financing activities (C)	30,18,80,638	(22,61,04,335)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	30,18,80,638	(22,61,04,335)
Cash and cash equivalents at the beginning of the year	(8,42,29,595)	4,29,15,468
Cash acquired on amalgamation	4,52,41,754	16,59,615
Cash and cash equivalents at the end of the year	-	6,66,670
	(3,89,87,841)	4,52,41,754
Cash and Cash equivalent as per above comprises of the following		
Cash and cash equivalent as per Note 11		
- cash in hand	170830	222331
-Balances with Banks (on current accounts)	4058558	87225370
	4229388	87447701
- Bank overdraft / cash credit (Note 15B)	(43217231)	(42205947)
Balance as per statement of cash flows	(38987843)	45241754
Figures in brackets represent outflows		

Notes :

1.The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

2.Addition to property , plant and equipment include movements of capital work progress during the year.

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 41)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

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Pradeep N Desai
Director

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Company Secretary

Amit M Mehta
Director

A)	
Equity Share Capital	
Balance As April 01, 2018	92008300
Change in equity Share Capital during the Year	4443190
Balance at March 31, 2019	93151490
Change in equity share capital during the year	0
Balance at March, 2020	93151490

B) Equity Share Capital

Sadhana Nitro Chem Limited
Statement of Changes in Equity for the year ended 31st March, 2020

Particulars	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Employee Share Based Payment Reserve	Retained earnings	Other Equity	Total Equity
Balance as at April 1, 2018	93,151,490	133,329,906	500,000	93,681	88,449,427	9,376,727	-	135,605,373	367,355,114	460,506,604
Profit for the year	-	-	-	-	-	-	-	753,101,925	753,101,925	753,101,925
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(809,491)	(809,491)	(809,491)
Total comprehensive income	-	-	-	-	-	-	-	752,292,434	752,292,434	752,292,434
Adjustment on account of amalgamation (Refer Note No.35(iii))	-	-	-	-	-	-	-	-	-	-
a) Balance in Statement of Profit and Loss of Transferor Company	-	-	-	-	-	-	-	(108,949,860)	(108,949,860)	(108,949,860)
b) Surplus being the difference between share capital of transferor company and investment of the company	-	-	-	-	-	-	-	3,913,487	3,913,487	3,913,487
Share Based Payment (Refer note no 30)	-	-	-	-	-	-	9,706,989	-	9,706,989	9,706,989
Adjustment on account of preference share redemption (Refer note no 15C@)	-	-	-	-	-	-	-	(58,607,130)	(58,607,130)	(58,607,130)
Transfer to Capital Redemption Reserve (Refer note no 15C@)	-	-	96,000,000	-	-	-	-	(96,000,000)	-	-
Dividend including dividend distribution tax	-	-	-	-	-	-	-	(11,230,344)	(11,230,344)	(11,230,344)
Balance as at March 31, 2019	93,151,490	133,329,906	96,500,000	93,681	88,449,427	9,376,727	9,706,989	617,023,960	954,480,690	1,047,632,180
b)Other Equity										
a) Equity Share capital										
Equity Share Capital Subscribed	93,151,490	133,329,906	96,500,000	93,681	88,449,427	9,376,727	9,706,989	617,023,960	954,480,690	1,047,632,180
Profit for the year	-	-	-	-	-	-	-	234,965,058	234,965,058	234,965,058
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	890,936	890,936	890,936
Total comprehensive income	-	-	-	-	-	-	-	235,855,994	235,855,994	235,855,994
Addition During The Year	-	-	-	-	-	-	-	-	-	-
Dividend including dividend distribution tax	-	-	-	-	-	-	-	(45,009,876)	(45,009,876)	(45,009,876)
Reversal of ESOP expenses recognized earlier due to cancellation	-	-	-	-	-	-	(9,706,989)	(9,706,989)	(9,706,989)	(9,706,989)
Balance as at 31 st March 20	93,151,490	133,329,906	96,500,000	93,681	88,449,427	9,376,727	-	808,761,014	1,135,619,819	1,228,771,309



The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 41)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

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Company Secretary

Amit M Mehta
Director



Sadhana Nitro Chem Limited Audited Notes to Standalone financial statements for 31st March, 2020

1. CORPORATE INFORMATION

The Company was incorporated on July 21, 1973. The Company is engaged in Manufacturing of chemical intermediates , heavy organic chemicals and performance chemicals and wireless network equipment and services. As on 31st March, 2019 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company owned 63.9884 % of the company's equity share capital. The Company's registered office is located at Mumbai, Maharashtra India and manufacturing facility is located at Roha, Raigad District, Maharashtra, India. The company shares are listed in Bombay Stock Exchange (BSE)

2. SIGNIFICANT ACCOUNTING POLICIES: 2.01 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2020. These standalone financial statements were authorized for issuance by the Company's Board of Directors on May 28, 2019.

2.02 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.03 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities.

Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently



when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.10.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and



liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes no 29

2.04 Revenue Recognitioni. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount/ incentive and returns are estimated(using the most likely method) based on accumulated experience and underlying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from Contract with Customers, with effect from April 1,2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with its customers and replaces IndAS 18 Revenue and IndAS 11 Construction Contracts.

The Company has adopted Ind AS 115 using cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e., April 1,2018) Accordingly, the comparative information in the statement of profit and Loss is not restated. The effect of the adoption of Ind AS 115 was insignificant.

Revenue (applicable upto March 31,2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

i. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the company;
- and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue from sales and operation includes Excise Duty but excludes Sales Tax, Value Added Tax & GST

ii. Sale of services

Revenue from Operations is recognised on accrual basis based on underlying subscription plan or



agreements with the concerned subscribers / parties. Revenue from prepaid Internet Service plans, which are active at the end of accounting period, is recognised on time proportion basis. In other cases of Internet Service plans, entire revenue is recognised in the period of sale.

iii. Other Income

a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend. (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.05 Leases Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Finance Lease

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

2.06 Foreign Currency

The functional currency of the Company is Indian rupee. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalization of borrowing cost is suspended and charges to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is

interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.08 Government grants

(i) Government grants in respect to manufacturing unites located in developing regions :

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.

(ii) Government grants in respect of additional Capital Expenditures :

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Incentives

Export incentives under various schemes are accounted in the year of export.

2.09 Employee benefits

(1) Defined Contribution Plan:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(I) Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life



Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.

(ii) Compensated Absences: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable



that the future economic benefit associated with the asset will be realised.

2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use. Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement. The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis. Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part. Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 3 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

2.13 Impairment Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.



Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.14 Inventories

Inventories of raw materials, stock-in-trade, stores & spares ,Fuel, packing material , work in progress , stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition . Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.

2.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.



Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Financial guarantee contracts:

A Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instruments.

Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of :

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of INDAS 18.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.



2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.18 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within 12 months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.19 Share Capital Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.20 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which



sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

3) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All



changes in fair value of such liabilities are recognised in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

2.21 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.22 Investments

Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

2.23 Segment Reporting

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.24 Recent accounting pronouncement

Ind AS 116 Leases:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted



at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12

Income taxes: On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 3: Property, Plant and Equipment

Particulars	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment (i), (iii)]	Furnitures & Fixtures	Computers	Vehicles [Refer Footnote (iii)]	Software	Right To use of assets	Lease Office	Total	Capital work-in-progress [Refer Foot Note (ii)]
Gross Carrying amount	165,144,000	26,262,214	3,887,236	205,298,926	429,379	681,371	27,746,298				429,449,424	108,109,149
Balance as at April 1,2018	-	31,637,428	1,067,134	245,008,434	615,126	1,075,679	25,987,271				305,391,072	60,941,181
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Addition on Account of Merger	-	-	-	3,426,364	649,479	1,980,160	-	-	-	-	6,056,003	5,628,295
Disposals	-	-	-	-	-	-	4,988,978	-	-	-	4,988,978	159,135,028
Balance as at March 31,2019	165,144,000	57,899,642	4,954,370	453,733,724	1,693,984	3,737,210	48,744,591				735,907,521	15,543,597
Additions	-	3,161,950	6,782,336	57,892,608	1,505,020	2,605,280	-	11,000,000	52,956,897	3,186,995	139,091,086	130,720,949
Addition stnx software	-	-	-	-	-	-	-	-	-	-	-	4,000,000
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March -20	165,144,000	61,061,592	11,736,706	511,626,332	3,199,004	6,342,490	48,744,591	11,000,000	52,956,897	3,186,995	874,998,607	150,264,546
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31,2018	-	4,458,411	703,492	31,863,192	21,039	76,349	913,995				38,036,478	-
Additions(Depreciation for the Year)	-	2,235,981	302,566	21,080,270	87,648	281,425	4,488,873				28,476,763	-
Addition on Account of Merger	-	-	-	1,899,857	302,535	1,875,631	-	-	-	-	4,078,023	-
Disposals	-	-	-	-	-	-	4,468,319	-	-	-	4,468,319	-
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31,2019	-	6,694,392	1,006,058	54,843,319	411,222	2,233,405	934,549	-	-	-	66,122,945	-
Additions(Depreciation for the Year)	-	2,781,430	376,574	30,933,995	198,645	700,269	6,224,884	550,000	10,150,069	637,399	52,553,265	-
Addition on Account of Merger	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31,2020	-	9,475,822	1,382,632	85,777,314	609,867	2,933,674	7,159,433	550,000	10,150,069	637,399	118,676,210	-
Net carrying amount	165,144,000	51,205,250	3,948,312	398,890,405	1,282,762	1,503,805	47,810,042				669,784,576	15,543,597
Balance as at March 31,2019	165,144,000	51,585,771	10,354,073	425,849,018	2,589,137	3,408,815	41,585,157	10,449,999	42,806,828	2,549,596	756,322,395	150,264,545
Balance as at March 31,2020												

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 4 A: Investments**(Amount in Rs.)**

Sr. No	Particular	Face Value	March 31,2020		March 31,2019	
			Holdings As At	Rs	Holdings As At	Rs
(i)	Non Current Investments					
	Investment in equity instruments (Fully paid up)					
	Subsidiaries(at cost)					
	Unquoted					
	Anuchem B.V.B.A- Belgium	Euro 25	750	771,549	750	771,549
	Spidigo Net Private Ltd (Refer Note iv below)	Rs 10	10,000	1,000	10,000	1,000
	Less: Provision for decline other than temporary , in value of non current investments			-	-	-
	Total (A)			772,549		772,549
(ii)	Other Investments (At cost)					
	Quoted					
	Anco Communication Ltd	Rs 10	500	71,788	500	71,788
	Enarai Finance Ltd	Rs 10	3,900	78,000	3,900	78,000
	Indian Extractions Ltd	Rs 10	18,000	508,194	18,000	508,194
	Indo-biotech Ltd	Rs 10	5,000	191,250	5,000	191,250
	First object Technoliges Ltd	Rs 10	2,000	81,400	2,000	81,400
	Maxworth orchards Ltd	Rs 10	1,300	13,000	1,300	13,000
	Ojas Technochem Products Ltd	Rs 10	5,000	131,495	5,000	131,495
			35,700	1,075,127	35,700	1,075,127
	Less: Provision for decline other than temporary , in value of non current investments			1,075,127	-	1,075,127
				-		-
	Total (B)					
	Total(A+B)			772,549		772,549
	Footnotes :					
	(I) Aggregate cost of quoted investments			1,075,127		1,075,127
	Aggregate market value of quoted investments			-		-
	(ii) Aggregate value of unquoted investments			772,549		772,549
	(iii) Aggregate amount of impairment in value of investments			1,075,127		1,075,127
	(iv) During the previous year the company has acquired the entire shares of Spidigo Net Pvt Ltd. As a result Spidigo Net Pvt Ltd has become its wholly owned subsidiary with effect from March 11, 2019.					



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 4 B: Current Investments

(Amount in Rs.)

Sr. No	Particular	Face Value	March 31,2020	March 31,2019
(i)	Investments measured at fair value through other comprehensive income In Mutual Funds Quoted HDFC Liquid Fund Nil Units (P.Y. 563.129) L & T Long Duration Growth 1298141.6 Units (P.Y. 12,98,141) *HDFC Long Duration Growth 662551.80Units (P.Y. 6,62,552)*	Rs 10 Rs 10 Rs 10	- 27,877,992 27,238,256	103,496 25,995,415 25,923,531
	Total		55,116,248	52,022,442
	(I) Aggregate cost of quoted investments		50,000,000	50,103,496
	Aggregate market value of quoted investments		55,116,248	52,022,442

Footnotes:

(i)* Refer note no 15C(d) for information on Mutual Funds pledged as security against borrowings.

Note 5 - Loans

(Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
A	Non Current Loans		-
	(Unsecured Considered Good , unless otherwise stated)		
(I)	Loan to related party at amortised cost:	66,315,983	
	-Subsidiary company (Refer Note 37)	-	
(ii)	Loan to staff	2,192,186	831,619
	Total	68,508,169	831,619
(I)	Loans to related parties comprise loans to the following Wholly Owned subsidiaries Spidigo Net Private Limited Maximum amount outstanding during the year	66,315,983 66,315,983	
B	Current Loans		
	(Unsecured Considered Good , unless otherwise stated)		
(I)	Loan to staff	-	998,230
(ii)	Others*	281,831	115,449
	Total	281,831	1,113,679
	* Others include Salary Advance Other Advances Receivable in cash & Kind	35,989 -	77,871 -
	Total	35,989	77,871



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 6A - Other financial assets**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
A	Current Financial Assets		
	(I) Inter corporate Deposits(Refer Note (I) Below)	45,007,082	54,102,000
	(ii) Interest on Inter Corporate Deposits	5,554,110	2,554,711
	(iii) Interest Accrued on Bank Deposits	8,736	36,525
	(iv) other receivable on other	255,776	-
	Total	50,825,704	56,693,236

Footnotes:

(i) Includes secured Inter Corporate Deposits of Rs 4 Crores, however charge is yet to be created in favour of the Company.

Note No. 7 - Deferred tax Liabilities/(Asset) (Net)**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
	Deferred Tax Liability		
(I)	Depreciation on fixed assets	47,580,848	33,269,095
(ii)	Fair Valuation of Investments	1,364,620	-
	Gross Deferred Tax Liability (1)	48,945,468	33,269,095
	Deferred Tax Asset		
(I)	Employee Benefit obligations	(18,689,161)	(16,828,561)
(ii)	Other disallowable expenses	(2,012,146)	(539,551)
	Gross Deferred Tax Asset (2)	(20,701,307)	(17,368,112)
	Net Deferred Tax Liability/(Asset) (1-2)	28,244,161	15,900,983

For the year ended March 31,2020	Opening Balance	Recognised in profit or loss	Adjustment on account of merger	Closing Balance
Deferred Tax Liability				
Plant Property Equipment	33,269,095	14,311,753	-	47,580,848
Gross Deferred Tax Liability(1)	22,627,770	14,311,753	-	47,580,848
Deferred Tax Asset				
Defined benefit obligation	(16,828,561)	(1,860,600)	-	(18,689,161)
Other Disallowable Expenses	(539,551)	(1,472,595)	-	(2,012,146)
Fair Valuation of Investments	-	1,364,620	-	1,364,620
Brought forward unabsorbed depreciation to be carried forward to next years	-	-	-	-
Gross Deferred Tax Asset(2)	(53,547,161)	(1,968,575)		(19,336,687)
Net Deferred Tax Liability/(Asset) (1-2)	(30,919,391)	12,343,178		28,244,161



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 8 - Other Assets**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
A.	Non Current Assets		
(I)	Capital advance	29,705,921	17,453,187
(ii)	Security Deposits with Public Bodies and others	11,995,020	9,921,343
(iii)	Balance with Statutory/Revenue Authorities	552,159	550,000
(iv)	Prepaid Expenses	40,613	473,973
	Total	42,293,713	28,398,503
B	Current Assets		
(I)	Balance with Statutory/Revenue Authorities	94,754,832	138,371,997
(ii)	Advance to Vendor	36,132,065	3,863,092
(iii)	Prepaid Expenses	3,335,103	2,654,076
	Total	134,222,000	144,889,165

Note - 9 : Inventories (At lower of cost and net realisable value)**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
	Valued & certified by the Management		
(I)	Raw materials(Include Packing Materials March 20 Rs 16,48,644/- (March 31,2019 Rs./-20,26,557)	33,294,773	21,904,724
(ii)	Work-in-progress	120,011,730	95,949,494
(iii)	Finished Goods	197,878,911	223,363,867
(iv)	Stock in Transit	-	3,593,749
(v)	Stores & Spares	49,198,388	39,670,210
(vi)	Others(Fuel etc.,)	2,776,051	1,648,588
	Total	403,159,854	386,130,632

Note No. 10 - Trade receivables**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
	Unsecured		
(I)	Considered good		
	O/s more than six months	265,175,239	
	Others	247,632,592	340,223,559
(ii)	Considered doubtful	3,279,834	-
		516,087,665	340,223,559
	Less : Allowance for doubtful debts	(819,959)	-
	Total	515,267,706	340,223,559



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Footnotes :

1. Trade receivables are dues in respect of goods sold in the normal course of business.
2. The normal credit period allowed by the company ranges from 60 to 90 days.
3. Trade receivables include receivables from related parties Rs 24,28,37,486.15- and Maximum Amount Outstanding 27,85,17,600.28 (March 31, 2019 - Rs 20,98,25,328 and Maximum amount Outstanding Rs 21,11,77,534/-)
4. Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings .
5. Refer note no 26(i) for Credit Risk

Note - 11 : Cash and Cash Equivalents**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
(i)	Cash in hand	170,830	222,331
(ii)	Balance with bank --- in current account	4,058,558	87,225,370
	Total	4,229,388	87,447,701

Note - 12 : Other Bank Balances**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
(i)	<u>Call and short term deposit accounts</u> Deposits with original Maturity <12 Months [Refer note (a) below]	2,176,255	1,501,925
(ii)	Deposits with original Maturity <12 Months other than (i) above	-	1,300,000
	Total	2,176,255	2,801,925

Footnotes :

- (a) Deposits with carrying amount of Rs 21,76,255 (March 31, 2019 - Rs 15,01,925) are subject to first charge against bank guarantees.

Note 13 : Equity Share Capital**(Amount in Rs.)**

Particulars	March 31, 2020	March 31, 2019
Authorised Capital:* 10,50,00,000 Equity Shares of Rs.1/- each (March 31, 2019: 20,00,00,000 Equity Shares of Rs 5/- each) (Refer note no (i) below)	105,000,000	100,000,000
	105,000,000	100,000,000
Issued Subscribed & Paid up: 9,31,51,490 Equity Shares of Rs.1/- each fully paid (March 31, 2019: 1,86,30,298 Equity Shares of Rs 5/- each) (Refer note no (ii) below)	93,151,490	93,151,490
Total	93,151,490	93,151,490



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Footnotes:

(I): The authorized capital of the company has been increased by an amount equal to the authorized capital of Strix Wireless Systems Private Limited in pursuance of the scheme of amalgamation filed & approved by the Honorable NCLT, Mumbai Bench. However the enhancement in the authorized capital has not yet been reflected on the MCA portal.

(ii) - Sub - division of Equity shares : On 31st January 2020 , Pursuant to a approval of the members in the extra ordinary general meeting, the Company sub divided the equity shares of the face value of Rs 5/- to share of the value of Rs 1/- per share. Unless otherwise noted, impacted amounts and share information included in the financial statements relating to authorised , issued and subscribed capital have been adjusted for the subdivision .

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	March ,31 2020		March 31, 2019	
	Equity Share		Equity Share	
	No.of Shares	Amount	No.of Shares	Amount
Equity				
No of shares outstanding at the beginning of the year	18,630,298	93,151,490	9,315,149	93,151,490
Add: Additional shares issued during the year	-	-	-	-
Add : Increase on account of shares sub - divided during the year	74,521,192	-	9,315,149	-
(Refer Note no (ii) above)	-	-	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	93,151,490	93,151,490	18,630,298	93,151,490

(b) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having at par value of ₹ 1/- (PY ₹ 5/-) per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.

(c) Shareholders holding more than 5% shares in the Company :

Particulars	March, 31 2020		March 31, 2019	
	Equity Share		Equity Share	
	No.of Shares	% of Holding	No.of Shares	% of Holding
Equity Shares of Rs. 1/- each (P.Y.Rs. 5/-) fully paid				
Manekchand Panachand Trading Investment Co.Pvt.Ltd	459,606,110	63.99	11,921,222	63.99
Asit Javeri	5,567,510	5.98	956,180	5.13



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

* adjusted for sub-division of shares.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. None of the shareholders other than the holding company and Mr Asit Javeri hold more than 5% as on the reporting date

(d) Equity Shares in the entity held by holding company:

Particulars	March, 31 2020		March 31, 2019	
	No.of Shares	% of Holding	No.of Shares	% of Holding
Manekchand Panachand Trading Investment Co.Pvt.Ltd	459,606,110	63.99	11,921,222	63.99

* adjusted for sub-division of shares.

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date - Nil (March 31, 2018 - Nil)

(e) Shares reserved for issue under Options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company - Refer Note 30

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 14 : Other Equity**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
	<u>Reserves and Surplus</u>		
(I)	Capital Reserve		
	Opening and Closing balance	93,681	93,681
(ii)	Capital Redemption Reserve		
	Opening balance	96,500,000	500,000
	Add: Additions (Refer note no 15C@)	-	96,000,000
	Closing balance	96,500,000	96,500,000
(iii)	Securities Premium Account		
	Opening balance	9,376,727	9,376,727
	Add: Premium on issue of sweat equity shares		
	Closing balance	9,376,727	9,376,727
(iv)	Retained Earnings		
	Opening balance	617,023,960	135,605,373
	Profit for the year	234,965,058	753,101,925
	Other Comprehensive income for the year, net of income tax	890,936	(809,491)
	Total comprehensive income	235,855,994	752,292,434
	<u>Adjustment on account of amalgamation (Refer Note No 35 (iii))</u>	-	-
	a) Balance in Statement of Profit and Loss of Transferor Company	-	(108,949,860)
	b) Surplus being the difference between share capital of transferor company and investment of the company	-	3,913,487
	Adjustment on account of preference share redemption (Refer note no 15C@)		(58,607,130)
	Transfer to Capital Redemption Reserve (Refer note no 15C@))		(96,000,000)
	Dividend including dividend distribution tax	(45,009,876)	(11,230,344)
	Balance in Statement of Profit and Loss of Transferor Company		
	Surplus being the difference between share capital of transferor company and investment of the company		
	Closing balance	807,870,078	617,023,960
(v)	Transition Reserve		
	Opening balance	88,449,427	88,449,427
	Add: Additions		
	Closing balance	88,449,427	88,449,427
(vi)	General Reserve		
	Opening balance	133,329,906	133,329,906
	Add: Additions	-	-
	Closing balance	133,329,906	133,329,906
(vii)	Employee Share Based Payment reserve (Refer Note No 30)		-
	Opening balance	9,706,989	
	Add: Additions	-	9,706,989
	Reversed on cancellation of ESOP	(9,706,989)	
	Closing Balance	-	9,706,989
	Total	1,135,619,820	954,480,691



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Capital Reserve :-

Capital Reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve -

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares . This reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

The amount that can be distributed by the company as dividend to its equity shareholders

Transition Reserve

Transition Reserve represents reserve created on transition from Accounting Standards to Ind AS.

General Reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Share based Payment Reserve

The Company has established equity settled share based payment plans for certain categories of employees of the company. Refer note 30 for further details of these plans.

Note - 15 : Borrowings

(Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
A	Long Term Borrowings		
(a)	Secured Borrowings:		
(i)	Term loan - Bank (Refer Note 15C(a) below)	15,328,980	19,600,265
(ii)	Term Loan - Others (Refer Note 15C(b) below)	12,818,990	16,118,068
		28,147,970	35,718,333
	Less :Current Maturity of Long term borrowings disclosed under the head other financial liabilities (Refer Note 16(I))	7,749,099	7,414,206
(b)			
(i)	Balance	20,398,871	28,304,127
	Unsecured Borrowings		
	Redeemable Preference Shares	-	
	9600000 1% Non convertible , Non cumulative (2018 - 9600000 9% Non convertible , Non Cumulative) Redeemable Preference Shares of Rs 10 /- each(Rs.10/- each)[Refer note 15C(c) below]	-	43,001,800
	Less: Redeemed during the year		(43,001,800)
	Balance		-
	Total	20,398,871	28,304,127



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

(Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
B	Short Term Borrowings		
(a)	Secured Borrowings		
(I)	Working Capital Loan from Banks denominated in [Refer Note (d)(i) and (ii)]		
	Foreign Currnecy	379,924,879	-
	Indian Cuurency	43,217,231	42,205,947
(b)	Unsecured Borrowings		
(i)	Inter Corporate Deposit [Refer note (e) below]	83,97,658	1,131,984
(ii)	Loans from Director	34,82,499	-
	Total	435,022,267	43,337,931

C footnotes:

- a Term loan from a bank is secured by charge on motor vehicles. Refer Note (f) below for terms of repayment , interest etc.
- b Term loan - others is secured by charge on motor vehicles and plant and machinery. Charge is yet to be registered in respect of two motor vehicles . Refer Note (f) below for terms of repayment , interest etc.
- c(i) The company has working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery , charge by way of pledge on debt mutual funds of Rs 5 crores . Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- c(ii) # Working capital loan from a bank carrying interest rate ranging between 5.76% to 12.00 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company
- # These details relates to previous year
- d Inter Corporate Deposits are carrying interest rate of 12% and repayable on or before April 2019.

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Footnotes 15C Continued..

(f) Terms of repayment

Term Loan - Banks

(Amount in Rs.)

Particulars	Rate of Interest	Year of Maturity	March 31,2020			March 31,2019	
			No of Installments Left	Year of Maturity	Amount Outstanding as at March 31 ,2020	No of Installments Left	Amount Outstanding as at March 31 ,2019
Loan Account Number							
5620	8.50%	2023-24	50	2023-24	13,71,064	50	17,32,975
5165	8.50%	2023-24	50	2023-24	13,71,064	50	17,32,975
3937	8.25%	2022-23	48	2022-23	64,88,055	48	83,16,650
6860	8.25%	2022-23	48	2022-23	60,98,797	48	78,17,665
			Total		1,53,28,980	Total	1,96,00,265
			Less :Current maturity of				42,71,278
			Balance				1,53,28,987
Term Loan - Others							
Loan Account Number							
772834	16.91%	-	-	-	-		-
1720446	12.75%	2022-23	42	2022-23	17,06,152	42	22,83,725
1760357	12.75%	2022-23	43	2022-23	16,79,341	43	22,48,802
2037897	12.75%	2022-23	46	2022-23	13,20,397	46	17,23,059
16801135	9.15%	2023-24	59	2023-24	40,56,550	59	49,31,241
16801148	9.15%	2023-24	59	2023-24	40,56,550	59	49,31,241
			Total		1,28,18,990		1,61,18,068
			Less :Current maturity of				31,42,928
			Balance				1,29,75,140
			Total Balance as per 15A(a)				2,83,04,127
					2,03,98,871		

(g) The companies exposure to liquidity interest rate and currency risks are disclosed in note no 26(ii)

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 16 - Other financial liabilities**(Amount in Rs.)**

Sr No	Particulars	March 31, 2020	March 31, 2019
	Current Financial Liabilities		
(I)	Current maturity of Long term borrowings (Refer note 15A (a))	7,749,099	7,414,206
(ii)	Interest accrued but not due on borrowings	397,681	236,318
(iii)	Redeemed Preference Share & Excess right issue (Unclaimed)	27,392	27,393
(iv)	Creditors for Capital Expenditure	43,742,877	60,321,673
(v)	Security Deposit from Customer	-	1,174,650
(vi)	Other payables	3,653,066	8,465,573
(vii)	Unclaimed Dividend	470,406	-
	Total	56,040,520	77,639,814

Note 17 - Provisions**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
A	Non Current Employee Benefit Obligations (I) Compensated absences (ii) Gratuity (Refer Note No.29)	22,403,868 17,209,576	8,415,690 15,239,798
	Total	39,613,444	23,655,488
B	Current Employee Benefit Obligations (I) Compensated absences (ii) Gratuity (Refer Note No. 29)	9,991,170 14,575,198	20,612,919 13,521,983
	Total	24,566,368	34,134,902
(i)	Movement in provisions	Gratuity	
	Opening balance	28,761,781	24,650,200
	Add/Less : Provision recognised /(reversed) during the year	3,022,993	4,111,581
	Closing balance	31,784,774	28,761,781

Note - 18 A : Other non-current liabilities

Sr. No	Particulars	March 31, 2020	March 31, 2019
1	Lease liabilities	45,804,672	-



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 18 B - Other Liabilities**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
	Current		
(I)	Statutory Dues	27,258,890	50,248,902
(ii)	Employee Dues	21,468,995	24,721,512
(iii)	Income received in advance	1,416,930	16,785,573
(iv)	Advance From Customer	9,956,612	3,765,596
	Total	60,101,425	95,521,582

Note - 19 : Trade Payables**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
(I)	Micro and Small Enterprises	4,355,787	8,157,010
(ii)	Others	208,309,260	267,819,923
	Total	212,665,047	275,976,933

(a) Disclosure required under Clause 22 of Micro , Small and Medium Enterprises Development ('MSMED') Act, 2006

Particulars	March 31, 2020	March 31, 2019
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year:-		
- Principal amount due to Micro and small enterprises:-	4,355,787	8,157,010
- Interest due on above:	240,088	530,475
b) the amount of interest paid by the buyer under MSMED Act,2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period(where the principal has been paid but interest under the MSMED Act 2006- Not paid	240,088	530,475
d) The amount of interest accrued and remaining unpaid at the end of accounting year.	240,088	530,475
e) The amount of further interest due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprises,for the purpose of disallowances as a deductible expenditure under section 23.	770,563	367,065

(b)All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 26(ii)

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 20: Revenue from Operations

Contract with customers

20.1 Details of revenue from contract with customers recognised by the company, net of indirect taxes in the statement of profit and loss.

(Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
(I)	Sale of Products		
	(a) Chemical Intermediate	1,149,918,413	2,559,258,007
	(a) Wireless Network Equipment	5,875,312	10,991,528
		1,155,793,725	2,570,249,535
(ii)	Sale of Services	15,364,067	27,402,203
(iii)	<u>Other Operating Revenue</u>		
	(a) Sale of scrap & sales other	475,157	1,584,837
	(b) Export Benefit	31,866,098	72,378,333
		47,705,322	101,365,373
	Total	1,203,499,047	2,671,614,908

Footnotes: Productive detail Revenue : Refer Photocopy

Note - 21 Other Income

(Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
(I)	<u>Interest Income on:</u>		
	(a) Deposits with banks	90,247	7,907
	(b) Others	9,424,845	3,280,801
(ii)	<u>Dividend Income from</u>		
	Subsidiaries	-	120,056
	Current Investments	489,881	103,496
(iii)	Profit on Sale of Fixed Assets	-	1,138,559
(iv)	Foreign Exchange Gain (Net)	12,150,104	43,833
(v)	Miscellaneous income	1,003,860	7,718,324
	Total	23,158,936	12,412,976

Note 22A - Cost of Raw materials and packing materials consumed

(Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
	Inventory at the beginning of the year	19,670,092	63,589,248
	Inventory on account of Merger	2,234,646	2,234,646
	Add: Purchases	404,968,697	883,022,102
	Total	426,873,435	948,845,996
	Less: Inventory at the end of the year	34,943,417	21,904,728
	Cost of materials consumed	391,930,018	926,941,268



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31 st March 2020

Note 22B - Changes in inventories of finished goods and work-in-progress (Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
(I)	Opening Stock		
	Work in progress on account of Merger	3,580,464	3,331,405
	Work in progress	92,368,622	71,182,993
	Finished goods	223,363,867	32,452,742
	Scrap	325,000	325,000
	Total (I)	319,637,953	107,292,140
(ii)	Closing Stock		
	Work in progress	120,011,730	95,949,494
	Finished goods	197,878,503	223,363,867
	Scrap	350,000	325,000
	Total (ii)	318,240,233	319,638,361
	Changes in Inventories Decrease/(Increase)(i-ii)	1,397,720	(212,346,221)
	Total	1,397,720	(212,346,221)

Note 23- Employee Benefit Expenses (Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
(I)	Salaries and wages, including bonus	14,30,96,633	26,73,63,291
(ii)	Employee Share Based compensation expense	(97,06,989)	97,06,989
(iii)	Contribution to Provident and other funds (Refer Note No. 29(a))	81,33,070	74,56,207
(iv)	Gratuity (Refer Note No. 29(b))	49,30,795	28,98,240
(v)	Leave Encashment expense	37,46,329	1,26,44,255
(vi)	Staff welfare expenses	27,28,066	27,06,797
	Total	15,29,27,905	30,27,75,779

Note 24 - Finance Cost (Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
(I)	Interest expense on term loans and other financial liabilities	3,039,199	2,664,419
(ii)	Interest on right on assets	5,075,036	1,157,376
(iii)	Share premium on preference share redemption(Refer note 15C©)	-	76,800,000
(iv)	Foreign Exchange Fluctuation	-	22,278,489
(v)	Interest on delayed Payment of tax	13,725	11,426,023
(vi)	Other borrowing cost	19,932,574	4,373,854
	Total	28,060,533	118,700,160



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Note 25 - Other Expenses**(Amount in Rs.)**

Sr. No	Particulars	March 31, 2020	March 31, 2019
(i)	Power and fuel	6,20,14,249	15,78,30,099
(ii)	Rent	40,23,043	46,49,006
(iii)	Rates & Taxes	1,23,37,755	2,23,68,193
(iv)	Insurance	49,71,652	40,37,316
(v)	Printing & Stationery	11,51,819	18,13,324
(vi)	Postage, Telegram & Telephone & Interent (Communication Expenses)	15,07,562	22,39,369
(vii)	Travelling & Conveyance Expenses	1,71,70,328	2,45,71,426
(viii)	Legal & Professional fees	1,51,35,800	1,40,99,938
(ix)	Directors Fees	3,22,000	4,25,000
(x)	Electricity charges	9,35,396	6,46,889
(xi)	Security Charges	40,97,113	26,45,246
(xii)	Stores & spares Consumed (Refer Note (ii) below)	3,03,09,103	6,35,37,183
(xiii)	Repairs & Maintenance	-	-
	Plant & Machinery	1,16,58,910	81,23,353
	Others	2,98,82,054	2,77,31,659
(xiv)	Other Manufacturing Expenses	1,14,37,065	1,57,41,834
(xv)	Effluent Expenses	53,14,655	1,15,96,495
(xvi)	Research & Development Expenses	1,27,500	93,700
(xvii)	Payment to auditors (Refer Note (i) below)	10,00,000	5,40,513
(xviii)	Selling Expenses	-	-
	Freight and Forwarding Expenses	1,13,99,643	70,40,095
	Commission Charges	2,29,83,317	3,87,20,898
	Local Freight & other expenses	1,11,15,449	2,50,49,326
(xix)	Bad debts & Sundry Debit Balances written off	10,27,800	31,02,201
(xx)	Guarantee Commission	45,95,600	-
(xxi)	fiber rent	2,25,620	-
	Provision For Doubtful Debt	8,19,959	-
(xxii)	Miscellaneous Expenses	1,65,94,375	1,99,00,262
(xxiii)	Fair Valuation of Forward Contract	58,75,661	-
	Foreign exchange fluctuation	-	-
	Job operation charges	-	-
	Branding & Website Designing Exp.	-	-
	Total	28,80,33,429	45,65,03,325

Footnotes:

(I) Payment to Auditors

Sr. No	Particulars	March 31, 2020	March 31, 2019
	As Auditor*		
(i)	Statutory Audit Fee	10,00,000	5,00,000
(ii)	Reimbursement of Out of Pocket Expenses	-	40,513
		10,00,000	5,40,513

Sadhana Nitro Chem Limited

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

Note No. - 26 Financial Instruments and Risk Review

Capital Management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security as well high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

(Amount in Rs.)

Particulars	March 31, 2020	March 31, 2019
Total equity attributable to equity shareholders of the company	1,228,771,310	1,047,632,181
As a percentage of total capital	73	94
Long term borrowings	20,589,344	28,304,127
Short term borrowings	435,022,267	43,337,931
Total borrowings	455,611,611	71,642,059
As a percentage of total capital	27	6
Total Capital (Equity and Borrowings)	1,684,382,921	1,119,274,240

The company business plan coupled with global macro economic scenario have helped the company achieve enhanced profitability and liquidity resulting improved equity base and lower the risk profile of the company.

Financial Risk Management Framework

The company has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Market risk

1) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the company's established policy, procedures and controls relating to customer credit management. The company has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings where available and other publicly available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer: (In %)

Particulars	March 31, 2020	March 31, 2019
Revenue from top five customers	64.88	74.61

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 34,02,23,559/- (P.Y.Rs 7,68,17,476/-). The movement in allowance for impairment in trade and other receivables during the year was as follows :

Allowance for impairment	March 31, 2020	March 31, 2019
Opening balance	-	1,700,239
Impairment loss recognised / reversed	8,19,958	(1,700,239)
Closing balance	8,19,958	-

Receivable from one customer of the Company's trade receivables Rs. 24,28,37,486 (P.Y.: Rs. 20,98,24,328) which is more than 10% of the Company's total trade receivables. Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit. The company has working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery, charge by way of pledge on debt mutual funds of Rs 5 crores. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company. (P.Y: Working capital loan from a bank carrying interest rate of 12.95 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company)

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit. The company has working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery, charge by way of pledge on debt mutual funds of Rs 5 crores. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2020.

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for 31st March 2020

Particulars	Less than 1 year	1 to 2 years	2- 5 years	5-7 years	Total
Long term borrowings	7,749,099	85,173,27	11,881,544	-	28,147,970
Short term borrowings	435,022,267	-	-	-	435,022,267
Trade payable	212,665,047	-	-	-	212,665,047
Other financial liabilities	48,291,421	-	-	-	48,291,421
Total	703,727,835	85,173,27	11,881,544	-	724,126,705

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2019

Particulars	Less than 1 year	1 to 2 years	2- 5 years	5-7 years	Total
Long term borrowings	81,430,20	90,657,11	11,095,396	-	28,304,127
Short term borrowings	43,337,931	-	-	-	43,337,931
Trade payable	275,976,933	-	-	-	275,976,933
Other financial liabilities	36,488,244	-	-	-	77,639,813
Total	405,097,697	90,657,11	11,095,396	-	425,258,804

iii) Market Risk

Market risk is the risk that the fair value of 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 the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency. The company does not engage in hedging and the unhedged foreign currency exposure is as follows :

1) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs.)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets					
Trade Receivables	EURO	3,03,350	-	25,173,196	-
	USD	62,11,479	44,76,757	468,149,749	310,596,544
Advance to Vendor	USD	3,35,002	-	225,248,431	-
Financial Liabilities					
Trade Payables	USD	4,81,392	393297	36,281,545	27,438,019
Advance Received	USD	1,13,070	54425	8,52,1860	37,65,595
Net Asset / (liability)	EURO	3,03,350	-	25,17,3,196	-
Net Asset / (liability)	USD	59,52,019	40,290,35	448,591,776	279,392,900

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Note 27 : Earnings Per Share

Sr. No	Particulars	31 March 2020	March 31, 2019
a)	Net Profit for the year attributable to the equity shareholders	23,49,65,058	75,31,01,925
b)	Opening number of equity shares outstanding	1,86,30,298	93,15,149
c)	Closing Number of Equity shares outstanding	9,31,51,490	1,86,30,298
d)	Basic/Diluted earning per share(₹ 5/- per share) (P. Y. Rs. 5/- per share)	2.52	33.61

Note 28: Disclosures under Ind AS 116 “Lease”

Effective from April 1, 2019, the company adopted Ind AS 116 “Lease”, applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature expenses in respect of certain leases under erstwhile standard has changed from ‘Lease Rental’ to Depreciation & Amortization expenses and Finance cost from the Right to use assets and on Lease Liability respectively.

The adoption of the Standard, the current year profit has been reduced by Rs. 23,33,320/-

Details of Payment to be made towards Lease Liability

Particulars	(Amount in Rs.)
	March 31, 2020
Lease liability paid during the year	1,28,91,785
Lease liability payable not more than 1 year	1,33,96,824
Lease liability payable not more than 5 year	4,43,45,162

Note 29 : Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized Rs 77,57,526/- towards Provident Fund and other fund contributions (March 31, 2018: Rs 74,56,207/-) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity. The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

The company has a defined benefit plan for every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of services. The scheme is unfunded. The company has a defined unfunded obligation on leave encashment. Generally the leave encashment is paid to employee as and when claimed.

Defined benefit plans – as per actuarial valuation on 31st March, 2020

Particulars	Funded Plan Gratuity	
	March 31, 2020	March 31, 2019
Service Cost		
Current Service Cost	902,094	980,454
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	2,240,543	1,917,786
Components of defined benefit costs reconised in profit or loss	3,142,637	2,898,240
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amunt included in net interest expense)	-	-
Actuarial gains and loss arising form changes in financial assumptions	-	(10,172)
Actuarial gains and loss arising form experience adjustments	1,328,648	3,859,546
Actuarial gains and loss arising from demographic adjustments	-	-
Componenets of defined benefit costs recognised in other comprehensive income	1,328,648	3,849,374
Total	4,471,285	6,747,614



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Particulars	March 31, 2020	March 31, 2019
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	31,784,774	(28,761,781)
2. Fair value of plan assets as at 31st March	-	-
3. Surplus/(Deficit)	31,784,774	(28,761,781)
4. Current portion of the above		
5. Non current portion of the above		
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	28,761,781	24,650,200
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	902,094	980,454
- Past Service Cost	-	-
- Interest Expense (Income)	2,240,543	1,917,786
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	(10,172)
ii. Financial Assumptions	-	-
iii. Experience Adjustments	1,328,648	3,859,546
5. Benefit payments	(1,448,292)	(2,636,033)
6. Others (Specify)		
7. Present value of defined benefit obligation at the end of the year	31,784,774	28,761,781
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year		
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account	-	-
- Expected return on plan assets	-	-
- Interest Income	-	-
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)	-	-
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	-
7. Fair value of plan assets at the end of the year		-
IV. The Major categories of plan assets		
- List the plan assets by category here	-	-
Insurance Fund		
V. Actuarial assumptions		
1. Discount rate	7.79%	7.78%
2. Expected rate of return on plan assets	7.79%	7.78%
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
6. Mortality Rate After Employment	N.A.	N.A.



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Particulars	March 31, 2020	March 31, 2019
VI. Other Details		
1. No of Active Members	196	197
2. Per Month Salary For Active Members	5,490,231	5,382,647
3. Weighted Average Duration of the Projected Benefit Obligation	5	5
4. Average Expected Future Service	15	15
5. Projected Benefit Obligation (PBO)	28,761,781	28,761,781
6. Prescribed Contribution For Next Year (12 Months)	5,490,231	5,382,647
VII. Net Interest Cost		
1. Interest Cost	2,189,971	2,240,543
2. Interest Income	-	-
3. Net Interest Cost (1-2)	2,189,971	2,240,543

Maturity Analysis of Projected Benefit Obligation: From the Fund

Particulars	March 31, 2020	March 31, 2019
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Year 6 To 10	-	-

Maturity Analysis of Projected Benefit Obligation: From the Employer

Particulars	March 31, 2020	March 31, 2019
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	14,575,198	13,521,983
2nd Following Year	3,085,531	1,845,090
3rd Following Year	1,378,993	3,106,067
4th Following Year	894,531	1,238,694
5th Following Year	2,445,584	809,455
Sum of Year 6 To 10	9,109,770	8,803,395

Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	31,784,774	28,761,781	20,888,046
Delta Effect of +1% Change in Rate of Discounting	(1,140,605)	(956,019)	(822,737)
Delta Effect of -1% Change in Rate of Discounting	1,304,467	1,085,466	926,144
Delta Effect of +1% Change in Rate of Salary Increase	1,234,249	1,037,030	947,439
Delta Effect of -1% Change in Rate of Salary Increase	(1,101,411)	(931,706)	(854,858)
Delta Effect of +1% Change in Rate of Employee Turnover	357,863	391,102	208,452
Delta Effect of -1% Change in Rate of Employee Turnover	(403,594)	(438,793)	231,336

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)

A. Effect of 0.90% change in the assumed discount rate	0.9 DECREASE 31-Mar-20	0.01% Increase 31-Mar-19
Defined Benefit Obligation	6.99	7.79
B.	31-Mar-20	31-Mar-19
Defined Benefit Obligation		

VIII. Experience Adjustments :	Year Ended	
	2018	2019
	Gratuity	
1. Defined Benefit Obligation	(31,784,774)	(28,761,781)
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	(31,784,774)	(28,761,781)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	2,95,566	(3,859,546)
5. Experience adjustment on plan assets [Gain/(Loss)]	10,33,082	(10,172)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Additional Details	
Methodology Adopted for ALM - Usefulness and Methodology adopted for Sensitivity Analysis -	Projected Unit Credit Method Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Stress Testing of Assets - Investment Strategy - Comment on Quality of Assets -	Not Done Not Discussed Since Investment is with insurance company, Assets are considered to be secured.
Management Perspective of Future Contributions -	As per Actuarial Calculation



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Notes

*Gratuity is payable as per company's scheme as detailed in the report.

*Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI).

*All above reported figures of OCI are gross of taxation.

*Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

*Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.

*Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

*Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.

Note 30 : Employee Stock Compensation

(a) Sadhana ESOP Plan:

On August 1, 2018, the Board of Directors approved the Employee Stock Option Plan (ESOP 2018) for the grant of stock options to the employees of the Company. The nomination and remuneration committee (remuneration committee) administers the ESOP. The option under this grant would vest to the employees as percentage of total grant at the end of the first, second and third year from the date of grant with exercise period ending one year from the end of last vesting.

However on 5th March, 2020, all employees to whom ESOPs were granted under the above mentioned scheme, declined their entire rights in the outstanding ESOPs and agreed for a cancellation of the options granted to them. Accordingly the company has not recognised any expenses on account of the options granted and moreover has reversed expenses amounting to Rs. 97.07 lakhs, which were recognised in the previous year.

Note 31 : Corporate Social Responsibility

As required under Section 135 of the Companies Act, 2013, the Board in its meetings held on 19th October 2018, has constituted a Corporate Social Responsibility Committee (CSR Committee).

The Board of Directors of the Company has approved the CSR policy on the recommendation of the CSR Committee and is in the process of identifying the activities for CSR spends.

Particulars	
(a) Amount remaining unspent from previous years to be spent by the company	17,12,885
(b) Gross amount required to be spent by the company during the year	96,26,065
(c) Amount spent during the year 2020	-
(d) Balance amount remaining unspent at the end of the year	1,13,38,949



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Note 32 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	March 31, 2020	March 31, 2019
(I) Contingent liabilities :		
(a) Bank Guarantees/ Letter of Credit	-	-
(b) Contingent Liabilities for Income Tax, Service Tax and others:	-	-
- Income Tax #	-	55,180
- Sales Tax #	-	698,439
- Service Tax #	-	-
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	58,76,715	58,76,715
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	4,71,691	-
- Employees Claim #	-	1,542,361
- Employees Claim #	-	-
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)		83,339,004
Total	6,55,67,894	

#The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the Company. The Company Management does not reasonable expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the Company's result of operations or financial condition.

Note 33

A.Value of imports calculated on CIF basis

Particulars	March 31, 2020	March 31, 2019
Raw Material and Components	118,936,488	170,809,611
Capital goods	-	68,86,608
	118,936,488	177,696,219



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

B. Expenditure in foreign currency

Particulars	March 31, 2020	March 31, 2019
Other matters - Foreign travel, Corporate allocations etc. Services Availed	20,14,619 2,17,25,463	18,25,077 3,44,07,847
Total	2,37,40,082	3,62,32,924

C. Earnings in foreign currency

Particulars	March 31, 2020	March 31, 2019
Export Revenue *	85,09,26,719	1,93,82,04,221
Total	85,09,26,719	1,93,82,04,221

Note 34

Transfer Pricing

The Company has 'international transactions with associated enterprises' which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm's length price including furnishing a report from an Accountant within the due date of filing the return of income.

For the fiscal year ended March 31, 2019, the Company has taken necessary steps including conducting a study as required by the regulations and the Accountant's report in this regard is awaited. In the opinion of the management, the transactions are carried out at arm's length and no adjustments is expected to arise thereon.

Note 35

Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of Manufacturing of Chemical intermediates, heavy organic chemicals and performance chemicals and manufacture of wireless network equipments and services. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of both the reportable segments. The reported revenues, profit and assets of one of the segments(manufacture of wireless network equipments and services) being less than 10% of the combined revenue, profit and assets of all the reporting segments, no separate segment disclosure is given as per para 11 and 13 of IndAS 108.

Note 36 : Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. 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 will be reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Company has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Note 37 - Related party transactions

List of related parties

Holding Company	Manekchand Panachand Trading Investment Co Private Limited
------------------------	--

Subsidiary Companies	(i) Anuchem B.V.B.A Belgium (ii) Spidigo Net Private Limited
-----------------------------	---

Key Management Personnel & Board of Directors

i) Shri. Asit D. Javeri	Executive Chairman
ii) Shri. Abhishek A Javeri	Managing Director & Chief Financial Officer
iii) Smt. Seema A Javeri	Executive Director (Administration)
iv) Shri. Arvind R Doshi	Independent Director
v) Shri. Priyam S Jhaveri	Independent Director
vi) Shri. Pradeep N Desai	Independent Director
vii) Shri Amit M Mehta	Independent Director
viii) Shri Nitin R Jani	Company Secretary

Associate Concerns / companies under control / significant influence of key managerial personnel or the members of the Board of Directors

- i) Chandra Net Limited
- ii) Life Style Networks Limited
- iii) Phthalo Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Aayan Nanotech Private Limited
- vii) Tanishka Microencapsulation Private Limited
- viii) Trivo Enterprise LLP
- ix) PAE Limited
- x) Finogra (India) Private Limited
- xi) S. Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

II) Disclosure in respect of material related party transactions during the year.

	Particulars	31-03-2020	31-03-2019
(A)	Remuneration paid / payable i) Shri. Asit D. Javeri ii) Shri. Abhishek A Javeri iii) Smt. Seema A Javeri iv) Shri Nitin R Jani	1,68,00,000 1,68,00,000 1,68,00,000 92,80,000	4,47,77,654 4,48,54,154 2,84,76,727 85,69,000
(B)	Guarantee Commission paid / payable i) Shri. Asit D. Javeri ii) Shri. Abhishek A Javeri	25,50,360 17,00,240	- -
(C)	Revenue from sale of goods (i) Anuchem B.V.B.A Belgium ii) Aayan Nanotech Private Limited	12,62,09,199 7,30,27,250	70,50,15,098 2,61,96,000
(D)	Dividend Received (i) Anuchem B.V.B.A Belgium	-	1,20,065
(E)	Interest received / receivable (i) Spidigo Net Private Limited ii) PAE Limited	37,97,314 40,00,000	- 17,42,425
(F)	Director Sitting Fees i) Shri. Arvind R Doshi ii) Shri. Priyam S Jhaveri iii) Shri. Pradeep N Desai iv) Shri Amit M Mehta	96,000 96,000 80,000 50,000	
(G)	Loan / Advances given during the year (i) Spidigo Net Private Limited ii) Life Style Networks Limited iii) PAE Limited	6,28,48,400 30,35,882 -	- - 4,00,00,000
(H)	Purchase of Capital Assets i) Chandra Net Limited	8,00,000	-
(I)	Loans received (net of repayment) during the year i) Shri. Asit D. Javeri	83,97,658	-
(J)	Closing Balances - Debit/(Credit) i) Shri. Asit D. Javeri ii) Shri. Abhishek A Javeri iii) Smt. Seema A Javeri (iv) Anuchem B.V.B.A Belgium (v) Spidigo Net Private Limited vi) Aayan Nanotech Private Limited vii) Life Style Networks Limited viii) PAE Limited	97,56,791 5,18,533 29,28,053 24,28,37,486 6,62,65,983 65,27,250 30,35,882 4,51,68,219	1,38,87,141 1,29,55,502 83,38,220 20,98,25,238 - 49,70,000 - 4,15,68,219

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Note 38 : Fair Value Measurement

(a) Financial Instrument by category

	March 31, 2020	March 31, 2019
Measured at Amortised Cost		
- Trade Receivables	21,26,65,047	27,59,76,932
- Cash and Cash Equivalents	1,70,830	2,22,331
- Bank Balance other than Cash and Cash Equivalents	62,34,813	9,00,27,295
- Other Financial Assets	5,08,25,704	5,66,93,236
- Loans and advances	6,87,90,000	19,45,298
Measured at Fair Value through Profit & Loss		
Measured at Fair Value through other comprehensive income		
- Investment - Non-current	7,72,549	7,72,549
- Investment - Current	5,51,16,248	5,20,22,442
Financial Liabilities		
Measured at Amortised Cost		
- Trade Payables	21,26,65,047	27,59,76,932
- Other Financial Liabilities	5,60,40,520	7,76,39,813

(b) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

The Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

As at March 31, 2020	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-		7,72,549
- Investment - Current	5,51,16,248		-



As at March 31, 2019	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-	-	7,72,549
- Investment - Current	5,20,22,442	-	-

Note 39 : Impact of Covid-19

The outbreak of Coronavirus (Covid-19) pandemic has caused significant disruption and slowdown of economic activities throughout the world and has impacted the operation of the Company's business, by way of interruption in production, supply chain disruption, unavailability of personnel's, the closure of production facilities, suspension of trading activities etc. On 24th Mar 2020, the Government of India ordered a nationwide lockdown initially for 21 days which further got extended from time to time till 3rd May 2020 to prevent community spread of COVID-19.

In accordance with orders issued by the central and state government authorities, the plant of the company and trading activities were temporarily shut down in March 2020 and subsequent to the year-end, plant has recommenced operations in compliance with the applicable guidelines. Due to implementation of lockdown in March 2020, the company lost sizeable revenue. The Management has performed detailed assessment of its liquidity position and recoverability of the assets as at the Balance Sheet date and has concluded that based on current indicators of the future economic condition, there is no material impact on the carrying value of the current assets. In evaluating the possible impact due to COVID-19, the company has used internal and external sources of information available till date. Considering the nature of COVID-19, the company will continue to closely monitor any material changes to future economic conditions which may impact its business, if any.

"The Company on the basis of internal assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk & own credit risk while assessing and measuring expected credit loss. The Company continues to believe that there is no material impact on the realizability of the financial assets."

"Financial investments carried at fair value as at March 31, 2020 is Rs. 5,51,16,248/-. All of these financial investments are classified as Level 1 having fair value of Rs. 5,51,16,248/- as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainty arising out of COVID-19. A substantial amount of these investments is in liquid debt securities and accordingly, any material volatility is not expected."

Note 40 : Events Occuring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

Note 41 : Previous Year Figures

Previous year's figures have been regrouped, rearranged & reclassified wherever considered necessary

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 41)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director & CFO

Smt. Seema A Javeri
Executive Director Administration

Nitin R Jani
Company Secretary

Arvind R Doshi
Director

Priyam S Jhaveri
Director

Pradeep N Desai
Director

Amit M Mehta
Director



INDEPENDENT AUDITORS' REPORT

To the Members of Sadhana Nitro Chem Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sadhana Nitro Chem Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Adoption of IND-AS 116, "Leases"	
As described in note no. 2.5 to the consolidated financial statements, the group has adopted IND AS 116 Leases (Ind-AS 116) in the current	Our audit procedures on adoption of Ind AS 116 include:

The Key Audit Matter	How the matter was addressed in our audit
<p>Adoption of IND-AS 116, "Leases"</p> <p>year. The application & transition to this accounting standard is an area of focus in our audit since the company has a number of leases with different contract terms.</p> <p>Ind-As 116 introduces a new lease accounting model, wherein a lessee is required to recognize a right-of-use (RoU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgement & estimates including determination of the discount rates.</p>	<ul style="list-style-type: none"> - Assessed the Group's evaluation on the identification of leases based on the contractual agreements; - Assessed the reasonableness of the discount rates applied in determining the lease liabilities. - Upon transition as at 1st April, 2019: <ul style="list-style-type: none"> • Evaluated the method of transition and related adjustments; • Tested completeness of the lease data by reconciling the Group's operating lease commitments to data used in computing RoU asset and the lease liabilities. - Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to transaction.

Emphasis of Matter

We draw attention to Note 36 to the consolidated financial statements regarding the uncertainties arising out of the outbreak of Covid-19 pandemic and the assessment made by the management on its operations and the financial reporting for the year ended 31st March, 2020. Such an assessment and the outcome of the pandemic, as made by the management, are dependent on the circumstances as they evolve in the subsequent periods. Further the COVID-19 outbreak has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability of the Holding Company to conduct a physical verification of inventories for the year-end 31st March, 2020 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns..

The Holding Company's management, however, conducted physical verification of inventories on dates other than the date of financial statements but prior to the date of the board meeting to be held for the purpose of adopting the financial results at certain locations (factories and warehouses) and has made available the documents in confirmation thereof.

Our opinion is not modified in respect of this matter

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management



Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders information, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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



influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(f) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and such companies incorporated in India which are its subsidiary companies have adequate internal financial controls with reference to financial statements 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial



statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of one wholly owned subsidiary included in the consolidated financial results of the Group. This subsidiary accounts for total assets of Rs. 24,30,90,935/- as at 31st March, 2020, total revenue of Rs. 12,55,08,613/- and a net loss amounting to Rs. 36,93,367/- for the year ended on that date. These financial statements have been audited for the calendar year ended 31st December, 2019 by other auditors whose reports have been furnished to us by the Holding Company's management. Further the accounts of the subsidiary have been drawn upto 31st March, 2020 and have been approved by the management and not subjected to audit.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of other auditors and management accounts for the quarter ended 31st March, 2020

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The consolidated financial statements also include the unaudited financial information of one wholly owned subsidiary whose financial information reflects total assets of Rs.



7,17,72,795/- as at 31st March, 2020, total revenues of Rs. 2,51,20,643/- for the year ended 31st March, 2020 and total net profit of Rs. 99,96,545/- for the year ended 31st March, 2020, as considered in the consolidated financial statements, whose financial statements have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this wholly owned subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid wholly owned subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Holding Company's Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2020 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.

ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31st March, 2020.

2. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

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

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 29th July, 2020
UDIN: 20033973AAAAAY9215



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report

Opinion

We have audited the internal financial controls over financial reporting of Sadhana Nitro Chem Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), as at 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, holding company and its subsidiaries 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness



exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the holding company and its subsidiaries.

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.

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.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 29th July, 2020
UDIN: 20033973AAAAAY9215

Sadhana Nitro Chem Limited
Consolidated Balance Sheet as at March 31, 2020

(Amount in Rs.)

Particulars		Note	As at March 31, 2020	As at March 31, 2019
A	<u>ASSETS</u>			
	I Non-current assets			
	(a) Goodwill on consolidation		-	
	(a) Property, Plant and Equipment	3A	779,794,748	698,780,216
	(b) Intangible Assets	3B	63,623,270	63,623,270
	(c) Capital work-in-progress	3A	150,264,545	15,543,597
	(d) Financial Assets			
	(i) Investments	4A	-	-
	(ii) Loans	5A	2,536,105	1,105,539
	(iii) Other financial assets	6A	-	-
	(e) Other non current assets	8A	42,293,713	28,473,503
	Total Non-Current assets		1,03,85,12,381	80,75,26,125
	II Current assets			
	(a) Inventories	9	517,202,386	410,682,414
	(b) Financial Assets			
	(i) Current Investments	4B	55,116,248	52,022,442
	(ii) Trade receivables	10	290,438,949	155,899,105
	(iii) Cash and cash equivalents	11	5,838,159	90,225,316
	(iv) Bank Balances other than (ii) above	12	2,176,255	2,801,925
	(v) Loans	5B	281,831	1,113,679
	(vi) Other financial assets	6	93,828,598	103,335,556
	(c) Other current assets	8B	153,207,760	144,986,605
	Total current assets		1,118,090,186	961,067,042
	TOTAL		2,156,602,567	1,768,593,167
B	<u>EQUITY AND LIABILITIES</u>			
	Equity			
	(a) Equity Share capital	13	93,151,490	93,151,490
	(b) Other Equity	14	1,070,573,985	958,866,294
			1,163,725,475	1,052,017,784



Sadhana Nitro Chem Limited
Consolidated Balance Sheet as at March 31, 2020

(Amount in Rs.)

Particulars		Note	As at March 31, 2020	As at March 31, 2019
II	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15A	20398871	30,429,127
	(ii) Other financial liabilities	16	-	-
	(b) Provisions	17A	44,053,014	28,095,058
	(c) Deferred Tax Liabilities(Net)	7	27,545,175	15,900,985
	(d) Other non-current liabilities	19A	45,804,672	-
	Total Non current liabilities		13,78,01,732	74,425,170
III	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15B	435,022,267	43,337,931
	(ii) Trade payables	19	-	-
	(a) Due to MSME		4,355,787	8,157,010
	(b) Due to other than MSME		214,889,788	112,941,076
	(iii) Other financial liabilities	16	5,66,58,245	78,864,495
	(b) Provisions	17B	24,573,363	34,134,902
	(c) Other current liabilities	18	87,363,640	220,090,553
	(d) Income Tax Liabilities (net)		32,212,270	144,624,246
	Total current liabilities		85,50,75,360	642,150,213
	TOTAL		2,156,602,567	1,768,593,167

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 38)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Arvind R Doshi
Director

Abhishek A Javeri
Managing Director & CFO

Priyam S Jhaveri
Director

Smt. Seema A Javeri
Executive Director
Administration

Pradeep N Desai
Director

Nitin R Jani
Company Secretary

Amit M Mehta
Director



Sadhana Nitro Chem Ltd
Statement of Consolidated Profit and Loss for the year ended 31.03.2020

(Amount in Rs.)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(I)	INCOME			
(II)	Revenue from operations	20	1,060,587,901	2,670,267,323
(III)	Other Income	21	19,602,301	12,472,131
(IV)	Total Income (II + III)		1,080,190,202	2,682,739,454
(V)	EXPENSES			
	(a) Cost of materials consumed	22A	391,930,018	926,941,268
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	22B	(77,290,146)	(236,598,265)
	(c) Excise Duty	22C	-	-
	(d) Employee benefits expense	23	15,49,85,846	302,775,779
	(e) Finance costs	24	28,260,015	119,917,568
	(f) <u>Depreciation and amortization expense</u>			
	(g) Depreciation Expense (Refer Note No 3)		58,076,551	28,882,058
	(h) Other expenses	25	300,830,092	472,168,309
	Total Expenses (V)		85,67,92,376	1,614,086,717
(VI)	Profit/(loss) before exceptional items and tax (IV - V)		22,33,97,826	1,068,652,737
(VII)	Exceptional Items		-	-
(VIII)	Profit/(loss) before tax (VI - VII)		22,33,97,826	1,068,652,737
(IX)	Tax Expense			
	Current tax		84,989,319	28,51,71,418
	Less: MAT Credit entitlement		(19,475,406)	(2,37,64,379)
	Deferred tax Assets		11,365,460	48,927,874
	Total tax expense		76,879,373	310,334,913
(X)	Profit/(loss) for the period (VIII - IX)		146,518,453	758,317,824
(XI)	Other Comprehensive Income			
	<u>(i) Items that will not be re-classified subsequently to profit or loss</u>			
	Re-measurement on defined benefit plans		(941,746)	(2,728,437)
	Change in Fair value of Current Investments through other comprehensive income		1,832,682	1,918,946
	<u>(ii) Items that will be re-classified subsequently to profit or loss</u>			
(XII)	Total of Other Comprehensive Income ((i) + (ii))		890,936	(809,491)
(XIII)	Total Comprehensive Income (X + XII)		147,409,389	757,508,333
(XIV)	Earnings per equity share (Rs.)		1.57	40.70
	Basic & Diluted	27		



The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 38)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

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Company Secretary

Amit M Mehta
Director



Sadhana Nitro Chem Ltd
Consolidated Cash Flow Statement for the year ended March 31, 2020

(Amount in Rs.)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A. Cash flow from operating activities				
Profit before tax		223,397,826		1,068,652,737
Adjustments for:				
Depreciation and amortisation expenses	58,076,551		28,882,058	
Surplus share in profit of subsidiary on audit of its accounts for the previous year	18,596,472		-	
Share based compensation expenses	-		9,706,989	
Profit on Sale of assets	-		(1,138,559)	
Finance costs	28,260,015		119,917,568	
Dividend Received	(489,881)		-	
Interest received	(5,958,450)		-	
Provision for Doubtful Debts	819,959		-	
Unrealised Foreign Exchange (Gain)/Loss	5,875,661		-	
Reversal of ESOP Expenses	(9,706,989)		-	
Changes in Other comprehensive Income	(1,328,648)		-	
		94,144,690		157,368,056
Operating profit / (loss) before working capital changes		317,542,516		1,226,020,793
Changes in working capital:				
Trade Payables	98,935,576		(458,235,909)	
Current Liabilities	(154,130,515)		-	
Provisions	639,647		-	
Loans and advances	(598,718)		42,753,669	
Inventories	(106,519,972)		(192,335,499)	
Other Current Asset	(9,815,899)		-	
Trade receivables	(141,235,464)		(2,703,568)	
		(306,968,575)		(610,521,307)
Cash generated from operations		105,739,411		615,499,486
a. Direct Taxes (Paid)		(17,792,588)		(88,136,387)
Net cash flow from / (used in) operating activities (A)		(16,735,194)		527,363,099
B. Cash flow from / (used in) investing activities				
a. Capital expenditure on Fixed Assets	(220,855,137)		(207,197,225)	
(Net of Adjustment for capital Work-in-progress)				
b. Acquisition / Sale of Fixed asset (Net)	-		1,659,218	
c. Acquisition / Sale of Investment (Net)	729,166		(50,103,496)	
d. Cash arising on acquisition of subsidiary	-			
e. Investment in subsidiary	-			
f. Dividend received	489,881		1,088,221	
g. Interest received	1,988,518		(1,000)	
Net cash flow from / (used in) investing activities (B)		(217,647,572)		(254,554,282)



Sadhana Nitro Chem Ltd
Consolidated Cash Flow Statement for the year ended March 31, 2020

(Amount in Rs.)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
C. Cash flow from / (used in) financing activities				
a. Secured Borrowings -Net of Repayment	(10030256)		5,495,079	
b. Unsecured Borrowings -Net of Repayment	390673052		(101,608,930)	
c. Finance cost paid	(23,023,616)		(119,977,547)	
d. Dividend paid including dividend distribution tax	(45126316)		(11,230,344)	
f. Payment towards lease liability	(12,891,785)		-	
Net cash flow from / (used in) financing activities (C)		299601079		(227,321,742)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(85,398,441)		45,487,075
Cash and cash equivalents at the beginning of the year		48,019,369		2,532,294
Cash and cash equivalents at the end of the year		(37,379,072)		48,019,369
Cash and cash equivalent as per above comprises of the following				
Cash and cash equivalent as per note 11				
Cash in hand		171,029		222,730
Balance with banks (on current accounts)		5,495,951		88,971,728
Fixed deposit shown under cash and cash equivalent		171179		1,030,858
		5,838,159		90,225,316
Bank overdrafts / Cash credit (Note 15B)		(43,217,231)		42,205,947
Balance as per statement of cash flows		(37379072)		48,019,369
Notes:				
Figures in brackets represent outflows		-		

Notes to the Statement of Cash Flow

The accompanying notes are an integral part of the consolidated financial statements. (Refer Notes 1- 38)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

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Amit M Mehta
Director

Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Statement of Changes in Equity for the year ended March 31, 2020

Particulars	a) Equity Share capital		b) Other Equity							(Amount in Rs.)	
	Equity Share Capital Subscribed		General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Share payment reserve	Securities Premium	Retained earnings	Other Equity	Total Equity
Balance as at April 1, 2018	9,31,51,490		13,33,29,906	5,00,000	2,44,848	8,84,49,427	-	93,76,727	13,34,95,722	36,53,96,630	45,85,48,120
Profit for the year	-		-	-	-	-	-	-	75,75,08,333	75,75,08,333	75,75,08,333
Adjustment on account of amalgamation (Refer Note No. 35(iii))	-		-	-	-	-	-	-	75,75,08,333	75,75,08,333	75,75,08,333
a) Balance in Statement of Profit and Loss of Transfer or Company	-		-	-	-	-	-	-	(10,89,49,860)	(1,29,54,812)	(1,29,54,812)
b) Surplus being the difference between share capital of transfer or company and investment of the company	-		-	-	(4,952)	-	-	-	39,13,487	39,13,487	39,13,487
Share Based Payment (Refer note no 30)	-		-	-	-	-	-	-	-	-	-
Adjustment on account of preference share (Refer note no 15C(c))	-		-	-	-	-	-	-	(5,86,07,130)	(5,86,07,130)	(5,86,07,130)
Transfer to Capital Redemption Reserve (Refer note no 15C(c))	-		-	-	-	-	-	-	(9,60,00,000)	(9,60,00,000)	(9,60,00,000)
Dividend including dividend distribution tax	-		-	-	-	-	-	-	(1,12,30,344)	(1,12,30,344)	(1,12,30,344)
Other Comprehensive income	-		-	-	-	-	-	-	-	-	-
Total comprehensive income	-		-	-	-	-	-	-	-	-	-
Addition/(deletion) during the year	-		-	-	-	-	-	-	48,66,34,486	59,23,36,523	59,23,36,523
Foreign currency monetary item translation difference	-		-	-	-	-	-	-	-	-	-
account	-		-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	9,31,51,490		13,33,29,906	9,65,00,000	2,39,896	8,84,49,427	97,06,989	93,76,727	62,12,63,349	95,88,66,294	1,05,20,17,784

Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020
Statement of Changes in Equity for the year ended March 31, 2020

Other Equity		(Amount in Rs.)								
Particulars	a) Equity Share capital	b) Other Equity							Total Equity	
	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Share payment reserve	Securities Premium	Retained earnings		Other Equity
Balance as at April 1, 2019	9,31,51,490	13,33,29,906	9,65,00,000	2,39,896	8,84,49,427	97,06,989	93,76,727	62,12,63,349	95,88,66,294	1,05,20,17,784
Profit/Loss for the year	-	-	-	-	-	-	-	14,65,18,453	14,65,18,453	14,65,18,453
Adjustment on account of amalgamation (Refer Note No. 35(iii))	-	-	-	-	-	-	-	-	-	-
a) Balance in Statement of Profit and Loss of Transfer or Company	-	-	-	-	-	-	-	-	-	-
b) Surplus share in the profit of the subsidiary on audit of its for the previous year	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	9,592	-	-	-	-	9,592	9,592
other comprehensive income	-	-	-	-	-	-	-	-	8,90,936	8,90,936
Share Based Payment (Refer note no 30)	-	-	-	-	-	-	-	-	-	-
Adjustment on account of preference share (Refer note no 15C(c))	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve (Refer note no 15C(c))	-	-	-	-	-	-	-	-	-	-
Reversal of ESSOP	-	-	-	-	-	(97,06,989)	-	-	(97,06,989)	(97,06,989)
Dividend including dividend distribution tax	-	-	-	-	-	-	-	(4,50,09,876)	(4,50,09,876)	(4,50,09,876)
Foreign currency monetary item translation difference account	-	-	-	-	-	-	-	4,09,103	4,09,103	4,09,103
Balance at the end of March 2020	9,31,51,490	13,33,29,906	9,65,00,000	2,49,488	8,84,49,427	-	93,76,727	74,26,68,437	1,07,05,73,985	1,16,37,25,475

The accompanying notes are an integral part of the consolidated financial statements. (Refer Notes 1 - 38)

As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number : 121142W/W100122

For and on behalf of the Board of Directors

Asit D Javeri
 Executive Chairman

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 Director

Jayesh Dadia
 Partner

Membership Number : 033973

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 Executive Director Administration

Pradeep N Desai
 Director

Nitin R Jani
 Company Secretary

Amit M Mehta
 Director



Sadhana Nitro Chem Limited

Audited Notes to Standalone financial statements for 31st March, 2020

1. CORPORATE INFORMATION

1.1 Nature of Operations

Sadhana Nitro Chem Limited (the Parent Company) was incorporated on July 21, 1973. The Group is engaged in Manufacturing of chemical intermediates , heavy organic chemicals and performance chemicals and wireless network equipment and services. As on 31st March, 2020 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company owned 63.99 % of the parent company's equity share capital. The parent company's shares are listed on the Bombay Stock Exchange (BSE). The consolidated financial statements comprises financials of the parent company and its subsidiaries (referred to collectively as "the Group")

1.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013(the "Act") and other relevant provisions of the Act. These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2020. These consolidated financial statements were authorized for issuance by the Company's Board of Directors on July 29, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2 Principles of Consolidation

2.2.1 Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which the control ceases

2.2.2 The consolidated Ind AS financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para 2.2.9 below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements



2.2.3 In case of foreign subsidiary, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".

2.2.4 The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2020

2.2.5 Non-controlling interests (NCI) in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

2.2.6 Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests' share of movements in equity since the date parent subsidiary relationship came into existence.
- (c) The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

2.2.7 Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the Statement of Profit & Loss

2.2.8 Goodwill

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. Goodwill is deemed to have an indefinite useful life and is reported at the acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit & Loss.

2.2.9 The subsidiary companies/entities considered in the consolidated financial statements are:

- (a) Anuchem BVBA, Belgium - Wholly Owned Subsidiary
- (b) Spidigo Net Private Limited, India - Wholly Owned Subsidiary

2.3 Use of estimate

"The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised



and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of Fair valuation of financial instruments, useful lives of property, plant and equipment, valuation of deferred tax Assets & liabilities and provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets & Liabilities

The Company reviews the carrying amount of deferred tax assets & Liabilities at the end of each reporting period. The policy for the same has been explained under Note 2.10.

Provisions and contingent liabilities

"Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract."

"A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements."

Fair value measurements and valuation processes

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party



qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

2.4 Revenue Recognition

i. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount/ incentive and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from Contract with Customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

ii. Other Income

a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend. (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception 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 less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are 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



estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

"Transition to IND-AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information; instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019"

2.6 Foreign Currency Transactions & Translations

"The functional currency of the Group is Indian rupee. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets & liabilities are recognised in the statement of profit and loss. Non-monetary assets which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of initial transaction."

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.



2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalization of borrowing cost is suspended and charges to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Government grants

“(i) Government grants in respect to manufacturing units located in developing regions :The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.”

“(ii) Government grants in respect of additional Capital Expenditures :Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.”

“(iii) Export IncentivesExport incentives under various schemes are accounted for in the year of export.”

2.9 Employee benefits

“(1) Defined Contribution Plan:Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.”

“(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. “

“Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows: • service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);• net interest expense or income; and• remeasurement.”

i) Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future



based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.

(ii) Compensated Absences: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

"Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period."

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis

Taxes Paid include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as advance tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

"Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction."

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.



Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

"Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement."

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

"Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part."

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.



An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

2.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

2.14 Inventories

Inventories of raw materials, stock-in-trade, stores & spares ,Fuel, packing material , work in progress , stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition . Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.

2.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

"Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage."



"Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding."

"Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding."

"Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss. "

"Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements."

"Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method."

"Financial guarantee contracts:

A Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instruments. Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of :• The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and• The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 18."

"Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost."

"Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If



the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest."

"Offsetting of financial instruments Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously."

2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.18 Current/Non-Current Classification

"The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria: - It is expected to be realized or intended to be sold or consumed in normal operating cycle - It is held primarily for the purpose of trading - It is expected to be realized within 12 months after the date of reporting period, or - Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period."

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

"A liability is current when it satisfies any of the following criteria: - It is expected to be settled in normal operating cycle - It is held primarily for the purpose of trading - It is due to be settled within 12 months after the reporting period, or - There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period Current liabilities include the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.19 Share Capital

"Ordinary Shares Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects."



2.20 Fair Value Measurement

"Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either: - in the principle market for the asset or liability - in the absence of principle market, in the most advantageous market for the asset or liability. The principle or the most advantageous market must be accessible by the Company."

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

"All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities-
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable"

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

"1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR."

"2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L."

"3) Debt instruments & derivatives at Fair Value through Profit or Loss (FVTPL) FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL."

"4) Equity Instruments at Fair Value through Other Comprehensive Income

On initial recognition, the Company can make an irrevocable election (on an instrument by



instrument basis) to present the subsequent changes in fair value in their comprehensive income pertaining to investments in equity instruments. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognized in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments."

5) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments."

Subsequent Measurement

Fair value through Profit & Loss Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognised in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss."

2.21 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders and is shown gross of Dividend Distribution tax as a reduction from retained earnings under Other Equity.

2.22 Segment Reporting

The Group has two operating/reportable segment based on geographical area, i.e. domestic sales and export sales. The operating segments is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Sadhana Nitro Chem Ltd CONSOLIDATION												
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020												
Note 3A: Tangible Assets												
(Amount in Rs.)												
Particular	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment	Furnitures & Fixtures	Computers	Vehicles [Refer Footnote (iii)]	Software	Right to use of assets	Lease office	Total	Capital work-in-progress
				[Refer Footnote (i), (iii)]								Refer Foot Note (ii)
Gross Carrying amount												
Balance as at April 1,2018	165,144,000	26,262,214	3,887,236	205,298,926	429,379	681,371	27,746,298	-	-	-	429,449,424	15,543,597
Additions on acquisition of subsidiary	-	31,637,428	1,067,134	248,434,798	1,264,605	3,055,839	25,987,271	-	-	-	311,447,075	-
Additions	-	-	-	-	-	-	4,988,978	-	-	-	4,988,978	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	159,135,028
Balance as at March 31,2019	165,144,000	57,899,642	4,954,370	497,934,723	3,482,638	6,387,624	48,744,591	-	-	-	784,547,588	15,543,597
Additions	-	3,161,950	6,782,336	57,892,608	1,505,020	2,605,280	-	11,000,000	52,956,897	3,186,995	139,091,086	134,720,949
Balance as at 1st April,2019	165,144,000	61,061,592	11,736,706	555,827,331	4,987,658	8,992,904	48,744,591	11,000,000	52,956,897	3,186,995	923,638,674	-
Addition on Account of Merger (Refer Note No 35(iii))	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2020	165,144,000	61,061,592	11,736,706	555,827,331	4,987,658	8,992,904	48,744,591	11,000,000	52,956,897	3,186,995	923,638,674	150,264,546
Accumulated Depreciation												
Balance as at 1st April,2018	-	4,458,411	703,492	31,863,192	21,039	76,349	913,995	-	-	-	-	-
Additions on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	38,036,478	-
Addition	-	2,235,981	302,566	22,980,127	390,183	2,157,056	4,488,873	-	-	-	32,554,786	-
Disposals	-	-	-	-	-	-	4,468,319	-	-	-	4,468,319	-
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2019	-	6,694,392	1,006,058	70,966,648	1,458,519	4,707,207	934,549	-	-	-	85,767,373	-
Additions on acquisition of subsidiary	-	2,781,430	376,574	36,224,343	-	-	-	-	-	-	-	-
Additions	-	-	-	-	390,657	741,195	6,224,884	550,000	10,150,069	637,399	58,076,551	-
Addition on Account of Merger	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2020	-	9,475,822	1,382,632	107,190,991	1,849,176	5,448,402	7,159,433	550,000	10,150,069	637,399	143,843,924	-
Net carrying amount												
Balance as at 31st March 2019	165,144,000	54,367,200	10,730,648	484,860,683	3,529,139	4,285,697	47,810,042	11,000,000	52,956,897	3,186,995	837,871,301	15,543,597
Balance as at 31st March 2020	165,144,000	51,585,770	10,354,074	448,636,340	3,138,482	3,544,502	41,585,158	10,450,000	42,806,828	2,549,596	779,794,748	150,264,546

Footnotes :

(i) Plant & Equipment includes Office Equipments

(ii) Capital work in Progress of Rs. 1,46,26,452/- mainly consist of MAP iv & ADAM DASDA plant being constructed in Roha.

(iii) Refer Note 15C(a)(b) & (d) for information on Property plant & equipment pledged as security by the company.

Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

Note 3B: Intangible Assets

(Amount in Rs.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
	Goodwill-		
(a)	On consolidation of Strix Wireless Systems Private Limited(Refer Note (I) below)	-	-
(b)	- On consolidation of Spidigo Net Private Limited (Refer Note (ii) below)	63,623,270	63,623,270
	Total	63,623,270	63,623,270

Footnotes:

(i) During the year the company acquired the entire shares of Spidigo Net Pvt Ltd. As a result Spidigo Net Pvt Ltd has become its wholly owned subsidiary with effect from March 11, 2019 and Goodwill on consolidation amounting to Rs 6,36,23,270 being the difference between the net assets and the value of investments recorded in the books of the holding company.

Note 4A: Investments

Sr. No	Particular	Face Value	March 31, 2020		March 31, 2019	
			Holdings As At	Rs	Holdings As At	Rs
(I)	Non Current Investments					
	Other Investments (At cost)					
	Quoted					
	Anco Communication Ltd	Rs 10	500	71,788	500	71,788
	Enarai Finance Ltd	Rs 10	3,900	78,000	3,900	78,000
	Indian Extractions Ltd	Rs 10	15,000	508,194	15,000	508,194
	Indo-biotech Ltd	Rs 10	5,000	191,250	5,000	191,250
	First object Technoliges Ltd	Rs 10	2,000	81,400	2,000	81,400
	Maxworth orchards Ltd	Rs 10	1,300	13,000	1,300	13,000
	Ojas Technochem Products Ltd	Rs 10	5,000	131,495	5,000	131,495
	Less: Provision for decline other than temporary , in value of non current investments			1,075,127		1,075,127
	Total			-		-
Footnotes :						
(i) Aggregate cost of quoted investments				1,075,127		1,075,127
Aggregate market value of quoted investments				-		-
(ii) Aggregate value of unquoted investments				1,075,127		1,075,127
(iii) Aggregate amount of impairment in value of						



Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

Note 4B:Current Investments**(Amount in Rs.)**

Sr. No	Particular	Face Value		March 31,2020	March 31, 2019
	Investments measured at fair value through other comprehensive incomeIn				
(I)	Mutual Funds				
	Quoted				
	HDFC Liquid Fund 563.129 Units (P.Y. NIL)		-		103,496
	L & T Long Duration Growth 12,98,141 Units (P.Y. NIL)*	Rs 10	-	27,877,992	
		Rs 10	-	27,238,256	25,995,415
	HDFC Long Duration Growth 6,62,552 Units (P.Y. NIL)*	Rs 10	-		25,923,531
	Total			55,116,248	52,022,442

* Refer note no 15C(d) for information on Mutual Funds pledged as security.

(i) Aggregate cost of quoted investments			5,00,00,000	5,01,03,496
Aggregate market value of quoted investments			5,51,16,248	5,20,22,442

*Refer note no 15 C(d) for information on Mutual Fund pledged as security against borrowing

Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 5 - Loans**(Amount in Rs.)**

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Non Current Loans (Unsecured Considered Good , unless otherwise stated)		
(i)	Loan to related party at amortised cost -Subsidiary company (Refer Note 37)	49999	-
(ii)	Loan to staff Security Deposits	2192186 293,920	831,619 273,920
	Total	2,536,105	1,105,539
(i)	Loans to related parties comprise loans to the following Wholly Owned subsidiaries		
	Spdigo Net Pvt Ltd	66,315,983	-
	Maximum amount outstanding during the year	66,315,983	-
B	Current Loans (Unsecured Considered Good , unless otherwise stated)		
(i)	Loan to staff	-	998,230
(ii)	Other*	281,831	115,449
	Total	281,831	1,113,679
	* Others include Salary Advance Other Advances Receivable in cash & Kind	79,460 35,989	79,460 35,989
	Total	115,449	35,989

Note 6 - Other financial assets**(Amount in Rs.)**

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
B	Current Financial Assets		
(i)	Inter corporate Deposits(Refer Note (i)Below)	45,007,082	50,088,492
	Others:		
	Interest accrued on deposit	5,554,110	16,04,744
	Advance recoverable in cash or kind	2,339,368	45,374,855
	Prepaid expenses	-	1,251,424
	Advance to employee	20,805	
	Bank FD Interest accrued	20,566	
	Chandra Net Pvt Ltd	36,131,457	
	Pace Internet Pvt Ltd	4,499,435	
	Others receivable on others	255,775	16,041
	Total	93,828,598	103,335,556



Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 6 - Other financial assets**(Amount in Rs.)**

Footnotes:

(I) Includes secured Inter Corporate Deposits of Rs 4 Crores, however charge is yet to be created in favour of the Company.

Note No. 7 - Deferred tax Liabilities/(Asset) (Net)**(Amount in Rs.)**

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Deferred Tax Liability		
	Depreciation on fixed assets	47580848	33269095
	Fair Valuation of Investments	1364620	
(ii)	Gross Deferred Tax Liability (1)	48945468	33269095
(i)	Deferred Tax Asset		
(ii)	Employee Benefit obligations	-19388147	-16828561
	Brought forward unabsorbed depreciation to be carried forward to next years		0
	Other disallowable expenses	-2012146	-539549
	MAT Credit Entitlement		
	Others		
	Gross Deferred Tax Asset (2)	-21400293	-17368110
	Net Deferred Tax Liability/(Asset) (1-2)	27545175	15900985

Footnote:

Deferred tax asset on unabsorbed depreciation as per the Income Tax Act, 1961 has been recognised, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

For the year ended March 3, 2020	Opening Balance	Recognised in profit or loss	On account of consolidation	Recognised in OCI	Adjustment on account of merger	Closing Balance
Deferred Tax Liability						
Plant Property Equipment	33269095	14311753		0	0	47580848
Gross Deferred Tax Liability	33269095	14311753	0	0	0	47580848
Deferred Tax Asset	0					0
Opening Balance on Consolidation	0		0			0
Defined benefit obligation	-16828561	-1860600	-698986	0	0	0
Other Disallowable Expenses	-539551	-1472595		0	0	-19388147
Fair Valuation of Investments	0	1364620				-2012146
Brought forward unabsorbed depreciation to be carried forward to next years	0	0	0	0	0	1364620
						0
Gross Deferred Tax Asset	-17368112	-1968575	-698986	0	0	-20035673
Net Deferred Tax Liability/(Asset)	15900983	12343178	-698986	0	0	27545175

Sadhana Nitro Chem Ltd

Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note No. 7 - Deferred tax Liabilities/(Asset) (Net)

(Amount in Rs.)

For the year ended March 3, 2019	Opening Balance	Recognised in profit or loss	On account of consolidation	Recognised in OCI	Adjustment on account of merger	Closing Balance
Deferred Tax Liability Plant Property Equipment	22627770	10641325		0	0	33269095
Gross Deferred Tax Liability	22627770	10641325	-457827	0	0	33269095
Deferred Tax Asset Opening Balance on Consolidation	0					0
Defined benefit obligation	-10467974	-6360587				-457827
Other Disallowable Expenses	-2103965	1564416		0	0	-16828561
Brought forward unabsorbed depreciation to be carried forward to next years	-42624893	43082720		0	0	-539549
				0	0	457827
Gross Deferred Tax Asset	-55196832	38286549	0	0	0	-17368110
	-32569062	48927874	-457827	0	0	15900985

Note 8 - Other Assets

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Non Current Assets		
(I)	Capital advance	29,705,921	17,453,187
(ii)	Security Deposits with Public Bodies and others	11,995,020	9,921,343
(iii)	Balance with Statutory/Revenue Authorities	552,159	550,000
(iv)	Prepaid Expenses	40,613	548,973
	Total	42,293,713	28,473,503
B	Current Assets		
(I)	Balance with Statutory/Revenue Authorities	98,387,201	138,469,437
(ii)	Advance to Vendor	51,485,456	3,863,092
(iii)	Prepaid Expenses	3,335,103	2,654,076
	Total	153,207,760	144,986,605



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note - 9 : Inventories (At lower of cost and net realisable value) (Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Raw materials(Include Packing Materials Rs.20,26,557/- (March 31,2018 Rs.19,30,457/-)	33,294,773	25,485,600
(ii)	Work-in-progress	120,011,730	92,368,622
(iii)	Finished Goods	311,921,444	247,915,645
	Stock in transit	-	3,593,749
(iv)	Stores & Spares	49,198,388	39,670,210
(v)	Others (Fuel,Packing Material)	2,776,051	1,648,588
	Total	517,202,386	410,682,414

Footnotes:

(i) Refer Note no 15C(d) for information on Inventories mortgaged as security for borrowings .

Note No. 10 - Trade receivables (Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Unsecured Considered good o/s more than 6 months others	40,346,482 247,632,592	155,899,105
(ii)	Considered doubtful	3,279,834	-
	Less : Allowance for doubtful debts	291,258,908 819,959	155,899,105 -
	Total	290,438,949	155,899,105

Footnote :1. Trade receivables are dues in respect of goods sold in the normal course of business.2. The normal credit period allowed by the company ranges from 60 to 90 days.3. No trade or other receivables are dues from directors or other officer of the group either servally or jointly with any other person nor any trade or other receivables are due from firm or private companies respectively .4. Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings .5.Refer note no 26(i) for Credit Risk

Note - 11 : Cash and Cash Equivalents (Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Cash in hand	171,029	222,730
(ii)	Balance with bank in current account	5,495,951	88,971,728
	Fixed Deposits	171,179	1,030,858
	Total	5,838,159	90,225,316



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note - 12 : Other Balances with Bank

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Call and short term deposit accounts	2,176,255	1,501,925
	Margin money Deposits with original Maturity <12 Months[Refere Note no (a) below]	-	1,300,000
	Fixed Deposit with Bank	21,76,255	28,01,925

Footnotes :

(a) Deposits with carrying amount of Rs 21,76,255 (March 31, 2019 - Rs 15,01,925) are subject to first charge against bank guarantees.

Note 13 : Equity Share Capital

(Amount in Rs.)

Particulars	March 31, 2020	March 31, 2019
Authorised Capital:*		
10,50,00,000 Equity Shares of Rs.1/- each	10,50,00,000	100000000
(March 31, 2019: 2,00,00,000 Equity Shares of Rs 5/- each)		100000000
(Refer note no (i) below)	105000000	
Issued Subscribed & Paid up:		
9,31,51,490 Equity Shares of Rs.1/- each fully paid		93,151,490
(March 31, 2019: 1,86,30,298 Equity Shares of Rs 5/- each)	93,151,490	
(Refer note no (ii) below)		
Total	93,151,490	93,151,490

Footnotes:

(i): The authorized capital of the company has been increased by an amount equal to the authorized capital of Strix Wireless Systems Private Limited in pursuance of the scheme of amalgamation filed & approved by the Honorable NCLT, Mumbai Bench. Further, the Company has also filed the necessary forms & documents with the office of the RoC, Mumbai for the same. However the enhancement in the authorized capital has not yet been reflected on the MCA portal.

(ii) - Sub - division of Equity shares : On 17th March 2020 , pursuant to a approval of the members in the extra ordinary general meeting, the Company sub divided the equity shares of the face value of Rs 5/- to share of the value of Rs 1/- per share. Unless otherwise noted, impacted amounts and share information included in the financial statements relating to authorised , issued and subscribed capital have been adjusted for the subdivision.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 13 : Equity Share Capital**(Amount in Rs.)****(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year**

Particulars	March 31, 2020 Equity Share		March 31, 2019 Equity Share	
	No. of Shares	Amount	No. of Shares	Amount
Equity				
No of shares outstanding at the beginning of the year	1,86,30,298	1,86,30,298	9,315,149	93,151,490
Add: Additional shares issued during the year year	-	-	-	-
Add : Increase on account of shares sub-divided during the year (Refer Note no (ii) above)	7,45,21,192	7,45,21,192	9,315,149	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	93151490	93151490	18630298	93151490

(b) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having at par value of ₹ 1/- (PY ₹ 5/-) per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.

(c) Shareholders holding more than 5% shares in the Company :

Particulars	March 31, 2020 Equity Share		March 31, 2019 Equity Share	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares of Rs.1/- each (P.Y.Rs. 5/-) fully paid				
Manekchand Panachand Trading Investment Co. Pvt.Ltd	45,96,06,110	63.99	11,921,222	63.99
Asit Javeri	55,67,510	5.98	956,180	5.13



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 13 : Equity Share Capital

(Amount in Rs.)

* adjusted for sub-division of shares.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. None of the shareholders other than the holding company and Mr Asit Javeri hold more than 5% as on the reporting date.

(d) Equity Shares in the entity held by holding company:

Particulars	March 31, 2020		March 31, 2019	
	No.of Shares	% of Holding	No.of Shares	% of Holding
Manekchand Panachand Trading Investment Co.Pvt.Ltd	45,96,06,110	63.99	5,960,611	64.78

* adjusted for sub-division of shares.

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date - Nil (March 31, 2019 - Nil)

(e) Shares reserved for issue under Options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company - Refer Note 30



Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 14 : Other Equity**(Amount in Rs.)**

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Reserves and Surplus		
	Capital Reserve		
	Opening balance	239896	2,44,848
	Addition / (deletion)	9592	(4,952)
	Closing balance	249488	239896
(ii)	Capital Redemption Reserve		
	Opening balance	96500000	5,00,000
	Add: Additions (Refer note no 15C©)	0	9,60,00,000
	Closing Balance	96500000	96500000
(iii)	Securities Premium Account		
	Opening balance	9376727	93,76,727
	Add: Premium on issue of sweat equity shares	0	-
	Closing balance	9376727	9376727
(iv)	Retained Earnings		
	Opening balance	621263349	13,34,95,722
	Other comprehensive income	890936	-
	Profit for the year	146518453	75,75,08,333
	Adjustment on account of amalgamation		
	(Refer Note No. 35(iii))		
	a) Balance in Statement of Profit and Loss of Transferor Company	0	(10,89,49,860)
	b) Surplus being the difference between share capital of transferor company and investment of the company	0	39,13,487
	c) Surplus share in the profit of the subsidiary on finalization of the audited accounts of the subsidiary.	18596472	-
	Adjustment on account of preference shares (Refer note no 15C(c))	0	(5,86,07,130)
	Transfer to Capital Redemption Reserve (Refer note no 15C(c))	(4,50,09,876)	(9,60,00,000)
	Dividend including dividend distribution tax	4,09,103	(1,12,30,344)
	Add/(less): Foreign currency monetary item translation difference account	74,26,68,437	11,33,141
	Closing balance		621263349
(v)	Transition Reserve	8,84,49,427	88449427
	Opening and Closing balance		
(vi)	General Reserve	13,33,29,906	133329906
	Opening and Closing balance		
(vii)	Employee Share Based Payment reserve(Refer Note No 30)		
	Opening Balance	9706989	
	Add: Additions	0	97,06,989
	Reversed on cancellation of ESOP	-9706989	
	Closing Balance	-	97,06,989
	Total	1070573985	949159305

**Capital Reserve :**

Capital Reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares . This reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

The amount that can be distributed by the company as dividend to its equity shareholders

Transition Reserve

Transition Reserve represents reserve created on transition from Accounting Standards to Ind AS.

General Reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Share based Payment Reserve

The Company has established equity settled share based payment plans for certain categories of employees of the company. Refer note 30 for further details of these plans.



Sadhana Nitro Chem Ltd
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note - 15 : Borrowings**(Amount in Rs.)**

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Long Term Borrowings		
(a)	<u>Secured Borrowings:</u>		
(i)	Term loan - Bank (Refer Note 15C(a) below)	15,328,980	19,600,265
(ii)	Term Loan - Others (Refer Note 15C(b) below)	12,818,990	16,118,068
		28,147,970	35,718,333
	Less :Current Maturity of Long term borrowings disclosed under the head other financial liabilities(Refer Note 16)	77,49,099	7,414,206
		2,03,98,871	28,304,127
(b)	<u>Unsecured Borrowings</u>	-	-
i	Inter Corporate Deposit	-	2,125,000
ii	Redeemable preference shares	-	-
	9600000 1% Non convertible , Non cumulative (2017 - 9600000 9% Non convertible , Cumulative and 2016 - 9600000 9% Non Convertible , Cumulative) Redeemable Preference Shares of Rs 10 /-(2017 - Rs 10/- and 2016 - Rs 10/-) [Refer note 15C (c) below]	-	2,125,000
	Total	2,03,98,871	30,429,127
B	Short Term Borrowings		
(a)	Secured Borrowings		
(i)	Working Capital Loan from Bank [Refer Note 15C (d)]	-	
	Foreign Currency	379,924,879	42,205,947
	Indian Currency	43,217,231	
(b)	Unsecured Borrowings		11,880,157
(i)	Inter Corporate Deposit [Refer note 15C (e) below]	34,82,499	
ii	Book overdraft	83,97,658	
	Total	435,022,267	43,337,931

C footnotes:

(a) Term loan from a bank is secured by charge on motor vehicles. Refer Note (f) below for terms of repayment , interest etc.

(b) Term loan - others is secured by charge on motor vehicles and plant and machinery. Charge is yet to be registered in respect of two motor vehicles . Refer Note (f) below for terms of repayment , interest etc.

(c) The company has foreign currency working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery , charge by way of pledge on debt mutual funds of Rs 5 crores . Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

**Sadhana Nitro Chem Ltd****Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020****Note - 15 : Borrowings**

(c)ii Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 5.76% to 12.00 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company

(d) Inter Corporate Deposits are carrying interest rate of 10% and repayable on or before April 2021.

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Footnotes 15C Continued..

**(f) Terms of repayment
Term Loan - Banks**

(Amount in Rs.)					
Particulars	Rate of Interest	March 31, 2020			March 31, 2019
		Year of Maturity	No of Installments Left	Year of Maturity	Amount Outstanding as at March 31, 2020
Loan Account Number					
5620	0.085	2023-24	50	2023-24	1732975
5165	0.085	2023-24	50	2023-24	1732975
3937	0.0825	2022-23	48	2022-23	8316650
6860	0.0825	2022-23	48	2022-23	7817665
			Total		15328980
					19600265
			Less :Current maturity of long term borrowings		4271278
			Balance		11081507
					15328987
Term Loan - Others					
Loan Account Number					
772834	0.1691	2022- 23	42	2022-23	1706152
1720446	0.1275	2022-23	43	2022-23	1679341
1760357	0.1275	2022-23	46	2022-23	1320397
2037897	0.1275	2022-23	59	2023-24	4056550
16801135	0.0915	2023-24	59	2023-24	4056550
16801148	0.0915	2023-24	59	2023-24	4056550
					16118068
TOTAL					16118068
		Less :Current maturity of long term borrowings shown in other current liabilities			3142928
		Balance			7680326
		Total Balance as per 15A(a)			28304127
					28304127

(g)The companies exposure to liquidity interest rate and currency risks are disclosed in note no 26(ii)



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 16 - Other financial liabilities**(Amount in Rs.)**

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
	Current Financial Liabilities		
(I)	Current maturity of long term borrowings (Refer note 15 A(a))	77,49,099	7,414,206
(ii)	Other payables -Advance from customers	41,23,472	8,320,357
(iii)	Interest accrued but not due on borrowings	397,681	236,318
(iv)	Redeemed Preference Share & Excess right issue (Unclaimed)	27,392	27,393
(v)	Creditors for Capital Expenditure	43,742,877	60,321,673
(vi)	Unclaimed Dividend	-	145,216
(vii)	Services	150,303	786,038
(viii)	Security Deposit from Customer	-	1,174,650
(ix)	Dividend payable	467,421	438,644
	Total	5,66,58,245	78,864,495

Note 17 - Provisions**(Amount in Rs.)**

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Non Current		
	Employee Benefit Obligations		
(I)	Compensated absences	22,403,868	8,415,690
(ii)	Gratuity (Refer Note No. 29)	21,649,146	19,679,368
B	Total	44,053,014	28,095,058
	Current		
	Employee Benefit Obligations		
(I)	Compensated absences	9,991,170	20,612,919
(ii)	Gratuity (Refer Note No. 29)	14,575,198	13,521,983
	Provision for income tax	6,995	-
	Total	24573363	34134902
(I)	Movement in provisions	Gratuity	Compensated absences
	Opening balance	2,87,61,781	24,650,200
	Add/Less :Provision recognised /(reversed) during the year	4,111,581	4,111,581
	Closing balance	32,873,362	28,761,781

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 18 - Other Liabilities

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
B	Current		
(I)	Statutory Dues	34,205,012	59,733,233
(ii)	Employee Dues	23,168,789	26,158,302
(iii)	Deposit from Customer	11,525,695	11,375,067
(iv)	Income received in advance	1,416,930	16,785,573
(v)	Advance From Customer	10,402,298	56,185,055
(vi)	Other current liabilities	6,644,916	6,643,001
(vii)	Bank Temporary Overdraft	-	43,210,322
	Total	87,363,640	220,090,553

Note - 19 : Trade Payables

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	March 31, 2019
(I)	Micro and Small Enterprises	4,355,787	8,157,010
(ii)	Others	214,889,788	112,941,076
	Total	219,245,575	112,941,076

(a)Disclosure required under Clause 22 of Micro , Small and Medium Enterprises Development ('MSMED') Act , 2006

Particulars	March 31, 2020	March 31, 2019
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year:	-	-
- Principal amount due to Micro and small enterprises:	4355787	8,157,010
- Interest due on above:	240088	530,475
b) the amount of interest paid by the buyer under MSMED Act,2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period(where the principal has been paid but interest under the MSMED Act 2006-Not paid	240088	530,475
d)The amount of interest accrued and remaining unpaid at the end of accounting year.	240088	530,475
e)The amount of further interest due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprises,for the purpose of disallowances as a deductible expenditure under section 23.	770563	530,475



Sadhana Nitro Chem Limited

Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note - 19A : Lease Liability

(Amount in Rs.)

(b) The Company has initiated the process of identification of suppliers registered under the Micro, Small & Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at the balance sheet date

(c) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 26(ii)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Lease Liability	45,804,672	-
(ii)	Others	-	-
	Total	45804672	0

Note 20: Revenue from Operations

1 Details of revenue from contract with customers recognised by the company, net of indirect taxes in the statement of profit and loss.

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Sales of Products		
	(a) Chemical Intermediates	98,18,86,624	2,55,79,10,422
	(b) Wireless Network Equipments	58,75,312	1,09,91,528
	TOTAL	98,77,61,936	2,56,89,01,950
(ii)	Sale of services	4,04,84,710	2,74,02,203
(iii)	Other Operating Revenue		
	Sale of scrap & sales other	4,75,157	15,84,837
	FD Interest income	-	
	Export Benefit	3,18,66,098	7,23,78,333
	Sundry balances written back	-	-
	Total	1,06,05,87,901	2,67,02,67,323



Sadhana Nitro Chem Limited

Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 20: Revenue from Operations

(Amount in Rs.)

Sr. No	Product Type:	As at March 31, 2020	March 31, 2019
(a)	Sale of Products MAP SND 27 (ODB 2) Others	357787244 512725936 117248756	1782422194 631532158 154947598
	Total	987761936	2568901950
(b)	Sale of services	40,484,710	27402203
©	Other operating revenue (I) Sale of scrap & sales other (ii) Export Benefit (iii) Sundry balances written back	475157 31866098 0	1584837 72378333 0
	Total	32341255	73963170

Note - 21 Other Income

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Interest Income on:		
	a) Deposits with banks and financial institutions TDS ₹791 (P.Y ₹ 23109)	90,247	7,907
	b) Others	5,868,203	3,339,955
(ii)	Balances Written Back	-	7,667,240
(iii)	Other Miscellaneous income	1,003,866	51,084
(iv)	Foreign Exchange Gain (Net)	12,150,104	43,833
(v)	Profit on sale of Assets	-	1,138,559
(vi)	Dividend Received	489,881	223,553
	Total	19,602,301	12,472,131



Sadhana Nitro Chem Limited

Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 22A - Cost of materials consumed

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
	Inventory at the beginning of the year	19,670,092	63,589,248
	Inventory on account of merger	2,234,646	2,234,646
	Add: Purchases	404,968,697	883,022,102
		426,873,435	948,845,996
	Less: Inventory at the end of the year	34,943,417	21,904,728
	Cost of materials consumed	391,930,018	926,941,268

Value of Raw Material Consumed

Sr. No	Particulars	March 31, 2019	
1	Imported	0.0045	1,852,263
2	Indigenous	0.9955	417,292,251

Sr. No	Raw Material Consumed	As at March 31, 2020	As at March 31, 2019
(i)	Benzene	2,27,66,448	114,155,201
(ii)	Nitric acid	1,14,88,057	59,591,522
(iii)	Cast iron powder	2,09,67,586	110,686,187
(iv)	Oleum 65%	72,61,452	53,088,532
(v)	Caustic Potash Flakes	-	-
(vi)	Packaging Material	24,05,201	4,229,337
(vii)	Other	32,70,41,274	585,190,489
	Total	39,19,30,018	926,941,268



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 22B- Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Opening Stock		
	Raw materials and packing materials	3,580,464	3,331,405
	Work in progress on a/ of merger	92,368,622	71,182,993
	Finished goods	223,363,867	32,752,476
	Scrap	325,000	325,000
	Total (I)	31,96,37,953	10,75,91,874
(ii)	Closing Stock		
	Raw materials and packing materials		
	Work in progress	123,592,194	95,949,494
	Finished goods	272,985,905	247,915,645
	Scrap	350,000	325,000
	Total (ii)	396,928,099	344,190,139
	Changes in Inventories Decrease/(Increase)(i-ii)	(77,290,146)	(236,598,265)
	Total	(77,290,146)	(236,598,265)

Note 23- Employee Benefit Expenses

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	Salaries and wages, including bonus	144,848,889	267,363,291
(ii)	Employee Share Based compensation expense	(97,06,989)	9,706,989
(iii)	Contribution to Provident and other funds (Refer Note No. 29(a))	84,38,756	7,456,207
(iv)	Gratuity (Refer Note No. 29(b))	4,930,795	2,898,240
(v)	Leave Encashment expense	3,746,329	12,644,255
	ESIC Damage	305,686	
(vi)	Staff welfare expenses	2,728,066	2,706,797
	Total	154985846	302775779



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note -24 Finance Cost

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Interest expense on term loans and other financial liabilities	30,39,199	26,64,419
(ii)	Interest cost on preference share liability	-	11,57,376
(iii)	Other borrowing cost	2,01,32,056	55,91,261
(iv)	Interest on Delayed Payment of tax	13,725	1,14,26,023
(v)	share premium on preference share(Refer note 15C(c))	-	7,68,00,000
(vi)	Foreign Exchange Fluctuation	-	2,22,78,489
(vii)	Interest on right on assets	50,75,036	-
	Total	2,82,60,016	119917568



Sadhana Nitro Chem Limited

Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 25 - Other Expenses

(Amount in Rs.)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Power and fuel	6,20,14,249	15,78,30,099
(ii)	Rent	40,23,043	46,49,006
(iii)	Rates & Taxes	1,23,72,861	2,24,13,862
(iv)	Insurance	49,71,652	40,37,316
(v)	Printing & Stationery	11,51,819	18,13,324
(vi)	Postage, Telegram & Telephone (Communication		
(vii)	Expenses)	115,07,562	22,47,819
(viii)	Travelling & Conveyance Expenses	1,78,67,347	2,54,25,802
(ix)	Legal & Professional fees	1,51,55,500	1,41,46,938
(x)	Directors Fees	23, 2,000	4,25,000
(xi)	Electricity charges	9,35,396	6,46,889
(xii)	Security Charges	40,97,113	26,45,246
(xiii)	Stores & spares Consumed	3,03,09,103	6,35,37,183
	Repairs & Maintenance		
	Plant & Machinery	1,16,58,910	81,23,353
	Others	2,98,90,354	2,77,33,159
(xiv)	Other Manufacturing Expenses	1,14,37,065	1,57,41,834
(xv)	Effluent Expenses	53,14,655	1,15,96,495
(xvi)	Research & Development Expenses	1,27,500	93,700
(xvii)	Payment to auditors (Refer Note A below)	10,00,000	5,00,000
(xviii)	Selling Expenses		
	Freight and Forwarding Expenses	1,77,01,170	1,74,49,387
	Commission Charges	2,29,83,317	3,87,20,898
	Local Freight & other expenses	1,11,15,449	2,50,49,326
(xix)	Foreign Exchange Fluctuation	18,04,922	42,67,325
(xx)	Bad debts & Sundry Debit Balances written off	10,27,800	31,02,201
(xxi)	Guarantee Commission	45,95,600	-
(xxii)	Fair Valuation of forward contracts	58,75,661	-
(xxiii)	Provision for doubtful debts	8,19,959	-
(xxiv)	Miscellaneous Expenses	1,84,96,335	1,99,72,147
(xxv)	Internet & Domain charges	22,53,750	-
	Total	30,08,30,092	47,21,68,309

Note A : Payment to Auditors :

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
(I)	As Auditor* Statutory Audit Fee	1,000,000	500000
	Total	1000000	500000



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

Note No - 26 Financial Instruments and Risk Review

Capital Management

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor , creditor and customer confidence and to ensure future development of its business. The Group focused on keeping strong total equity base to ensure independence , security as well high financial flexibility for potential future borrowings , if required without impacting the risk profile of the Group. The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

(Amount in Rs.)

Particulars	March 31, 2020	March 31, 2019
Total equity attributable to equity shareholders of the company	1,228,771,310	1,047,632,181
As a percentage of total capital	73	94
Long term borrowings	20,589,344	28,304,127
Short term borrowings	435,022,267	43,337,931
Total borrowings	455,611,611	71,642,059
As a percentage of total capital	27	6
Total Capital (Equity and Borrowings)	1,684,382,921	1,119,274,240

The company business plan coupled with global macro economic scenario have helped the company achieve enhanced profitability and liquidity resulting improved equity base and lower the risk profile of the company.

Financial Risk Management Framework

The company has exposure to the following risks arising from financial instruments :

- a)Credit risk
- b)Liquidity risk
- c)Market risk

I) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the group's established policy , procedures and controls relating to customer credit management. The group has established a credit policy under which each new customer is analysed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes external ratings where available and other publically available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer:

Particulars	March 31, 2019	March 31, 2018
Revenue from top five customers	74.61	74.61



Sadhana Nitro Chem Limited

Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

Note No - 26 Financial Instruments and Risk Review

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 32,28,35,289/- (P.Y.Rs 7,68,17,476/-) . The movement in allowance for impairment in trade and other receivables during the year was as follows :

Allowance for impairment	March 31, 2020	March 31, 2019
Opening balance	0	1700239
Impairment loss recognised / reversed	819958	-1700239
Closing balance	819958	0

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly , no liquidity risk is perceived. In addition , the company maintains the following line of credit.

The company has working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by an exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery , charge by way of pledge on debt mutual funds of Rs 5 crores and further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2020.

Particulars	Less than 1 year	1 to 2 years	2- 5 years	5- 7 years	Total
Long term borrowings	77,49,099	85,17,327	1,18,81,544	0	2,81,47,970
Short term borrowings	43,50,22,267	-	-	0	43,50,22,267
Trade payable	21,26,65,047	-	-	0	21,26,65,047
Other financial liabilities	4,82,91,421	-	-	0	4,82,91,421
Total	70,37,27,834	85,17,327	1,18,81,544	-	72,41,26,705

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2019

Particulars	Less than 1 year	1 to 2 years	2- 5 years	5-7 years	Total
Long term borrowings	81,43,020	90,65,711	1,10,95,396	-	2,83,04,127
Short term borrowings	4,33,37,931	-	-	-	4,33,37,931
Trade payable	27,59,76,933	-	-	-	27,59,76,933
Other financial liabilities	7,76,39,813	-	-	-	7,76,39,813
Total	40,50,97,697	90,65,711	1,10,95,396	-	42,52,58,804



iii) Market Risk

Market risk is the risk that the fair value of 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 the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The Group operates internationally and major portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risks through operating activities in foreign currency. The group does not engage in hedging and the unhedged foreign currency exposure is as follows :

1) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs.)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets	EURO	215333	396207	18001839	30896769
Trade Receivables	USD	3614758	1801710	272437110	125002327
Advance to vender	USD	335002	0	25248431	0
Financial Liabilities					
Trade Payables	EURO	4,81,392	3,93,297	36281545	2,74,38,049
Advance Received	USD	1,13,070	54,425	8521860	37,65,595
Net Asset / (liability)	EURO	2,15,333	3,96,207	1,80,01,839	3,08,96,769
Net Asset / (liability)	USD	3355298	1353988	252882136	93798683

Note 27 - Earnings Per Share

(Amount in Rs.)

	Particulars	March 31, 2020	March 31, 2019
a)	Net Profit for the year attributable to the equity shareholders	146518453	758317824
b)	Opening number of equity shares outstanding	1,86,30,298	9315149
c)	Closing Number of Equity shares outstanding	93151490	18630298
d)	Basic/Diluted earning per share(? 1/- per share) (P. Y. Rs. 5/- per share)	1.57	40.7

Note 28: Disclosures under Ind AS 116 "Leases"

Effective from April 1, 2019, the company adopted Ind AS 116 "Lease", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature of expenses in respect of certain leases under erstwhile standard has changed from 'Lease Rental' to Depreciation & Amortization expenses and Finance cost' for the Right to use assets and on Lease Liability respectively.

The adoption of the Standard, the current year profit has been reduced by Rs. 23,33,320/-

Details of Payments to be made towards Lease liability.

(Amount in Rs.)

Particulars	March 31, 2020
Lease liability paid during the year	12891785
Lease liability payable not more than 1 year	13396824
Lease liability payable not more than 5 year	44345162



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Note 29 : Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized Rs 77,57,562 for Provident Fund and other fund contributions (March 31, 2019: Rs 74,56,207) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

"The Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed."

Defined benefit plans – as per actuarial valuation on 31st March, 2020

(Amount in Rs.)

Particulars	Funded Plan Gratuity	
	March 31, 2020	March 31, 2019
Ia. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:		
Service Cost		
Current Service Cost	902,094	980,454
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	2,240,543	1,917,786
Components of defined benefit costs recognised in profit or loss	31,42,637	28,98,240
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial gains and loss arising from changes in financial assumptions	-	(10,172)
Actuarial gains and loss arising from experience adjustments	1,328,646	3,859,546
Actuarial gains and loss arising from demographic adjustments	-	-



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

(Amount in Rs.)

Particulars	Funded Plan Gratuity	
	March 31, 2020	March 31, 2019
Component of defined benefit costs recognised in other comprehensive income	13,28,646	38,49,374
Total	44,71,283	67,47,614
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	3,17,84,774	(2,87,61,781)
2. Fair value of plan assets as at 31st March	-	-
3. Surplus/(Deficit)	3,17,84,774	(2,87,61,781)
4. Current portion of the above		
5. Non current portion of the above		
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	2,87,61,781	2,46,50,200
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Current Service Cost	9,02,094	9,80,454
- Past Service Cost	-	-
- Interest Expense (Income)	22,40,543	19,17,786
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		
ii. Financial Assumptions	-	(10,172)
iii. Experience Adjustments	13,28,648	38,59,546
5. Benefit payments	(14,48,292)	(26,36,033)
6. Others (Specify)		
7. Present value of defined benefit obligation at the end of the year	3,17,84,774	2,87,61,781
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Expected return on plan assets	-	-
- Interest Income	-	-
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	-	-



Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Particulars	March 31, 2020	March 31, 2019
6. Benefit payments	-	-
7. Fair value of plan assets at the end of the year		
IV. The Major categories of plan assets	-	-
- List the plan assets by category here		
Insurance Fund		
V. Actuarial assumptions		
1. Discount rate	7.79%	7.79%
2. Expected rate of return on plan assets	7.79%	7.79%
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
6. Mortality Rate After Employment	N.A.	N.A.
VI. Other Details		
1. No of Active Members	196	197
2. Per Month Salary For Active Members	54,90,231	53,82,647
3. Weighted Average Duration of the Projected Benefit Obligation	5	5
4. Average Expected Future Service	15	15
5. Projected Benefit Obligation (PBO)	2,87,61,781	2,87,61,781
6. Prescribed Contribution For Next Year (12 Months)	54,90,231	53,82,647
VII. Net Interest Cost		
1. Interest Cost	21,89,971	19,17,786
2. Interest Income	-	-
3. Net Interest Cost (1-2)	21,89,971	19,17,786

Maturity Analysis of Projected Benefit Obligation: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

1st Following Year	-	-	-
2nd Following Year	-	-	-
3rd Following Year	-	-	-
4th Following Year	-	-	-
5th Following Year	-	-	-
Sum of Year 6 To 10	-	-	-

Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting

1st Following Year	1,45,75,198	-	1,35,21,983
2nd Following Year	30,85,531	-	18,45,090
3rd Following Year	13,78,993	-	31,06,067
4th Following Year	8,94,531	-	12,38,694
5th Following Year	24,45,584	-	8,09,455
Sum of Year 6 To 10	91,09,770	-	88,03,395

Sadhana Nitro Chem Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	31,784,774	28,761,781	20,888,046
Delta Effect of +1% Change in Rate of Discounting	(1,140,605)	(956,019)	(822,737)
Delta Effect of -1% Change in Rate of Discounting	1,304,467	1,085,466	926,144
Delta Effect of +1% Change in Rate of Salary Increase	1,234,249	1,037,030	947,439
Delta Effect of -1% Change in Rate of Salary Increase	(1,101,411)	(931,706)	(854,858)
Delta Effect of +1% Change in Rate of Employee Turnover	357,863	391,102	208,452
Delta Effect of -1% Change in Rate of Employee Turnover	(403,594)	(438,793)	231,336

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)

A. Effect of 0.50% change in the assumed discount rate	0.01% Increase 31-Mar-20	0.50% Decrease 31-Mar-19
Defined Benefit Obligation		
B. Effect of 1 % change in the assumed Salary Escalation Rate	31-Mar-19	31-Mar-18
Defined Benefit Obligation		

VIII. Experience Adjustments :	Year Ended	
	2020	2019
	Gratuity	
1. Defined Benefit Obligation	(31784774)	(28761781)
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	(31784774)	(28,761,781)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	295566	(3,859,546)
5. Experience adjustment on plan assets [Gain/(Loss)]	1033082	(10,172)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Additional Details	
Methodology Adopted for ALM -	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity Analysis -	Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Stress Testing of Assets -	Not Done
Investment Strategy -	Not Discussed
Comment on Quality of Assets -	Since Investment is with insurance company, Assets are considered to be secured.
Management Perspective of Future Contributions -	As per Actuarial Calculation

Notes *Gratuity is payable as per company's scheme as detailed in the report. *Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). *All above reported figures of OCI are gross of taxation. *Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees. *Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above. *Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation. *Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

Note 30 : Employee Stock Compensation

(a) Sadhana ESOP Plan:

On August 1, 2018 , the Board of Directors approved the Employee Stock Option Plan (ESOP 2018) for the grant of stock options to the employees of the Company. The nomination and remuneration committee (remuneration committee) administers the ESOP. The option under this grant would vest to the employees as percentage of total grant at the end of the first, second and third year from the date of grant with exercise period ending one year from the end of last vesting.

However on 5th March, 2020, all employees to whom ESOPs were granted under the above mentioned scheme, declined their entire rights in the outstanding ESOPs and agreed for cancellation of the options granted to them. Accordingly the company has not recognized any expenses on account of the options granted and moreover has reversed expenses amounting to Rs. 97.07 lakhs, which were recognized in the previous year.

Note 31 - Contingent liabilities and commitments (to the extent not provided for) (Amount in Rs.)

Particulars	March 31, 2020	March 31, 2019
(i) Contingent liabilities :		
(a) Bank Guarantees/ Letter of Credit	0	0
(b) Contingent Liabilities for Income Tax, Service Tax and others:	0	55180
- Income Tax #	0	698439
- Sales Tax #	0	0
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	471691	1542361
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	5876715	83339004
- Employees Claim #	0	
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	65567894	85634984
(iii) Other money for which the Company is contingently liable :		
Total	65567894	85634984

#The Holding Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the holding Company. The Holding Company Management does not reasonable expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the holding Company's result of operations or financial condition.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

Note 32 - Related party transactions

List of related parties

Holding Company	Manekchand Panachand Trading Investment Co Private Limited
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Subsidiary Companies	(i) Anuchem B.V.B.A Belgium (ii) Spidigo Net Private Limited
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Key Management Personnel

i) Shri. Asit D. Javeri	Executive Chairman
ii) Shri. Abhishek A Javeri	Managing Director & Chief Financial Officer
iii) Smt. Seema A Javeri	Executive Director (Administration)
iv) Shri. Arvind R Doshi	Independent Director
v) Shri. Priyam S Jhaveri	Independent Director
vi) Shri. Pradeep N Desai	Independent Director
vii) Shri Amit M Mehta	Independent Director
viii) Shri Nitin R Jani	Company Secretary

Associate Concerns / companies under control / significant influence of key managerial personnel or the members of the Board of Directors

- i) Chandra Net Limited
- ii) Life Style Networks Limited
- iii) Phthalo Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Aayan Nanotech Private Limited
- vii) Tanishka Microencapsulation Private Limited
- viii) Trivo Enterprise LLP
- ix) PAE Limited
- x) Finogra (India) Private Limited
- xi) S. Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

IV) Disclosure in respect of material related party transaction during the year.

Particulars	March 31, 2020	March 31 2019
(A) Remuneration paid / payable		
i) Shri. Asit D.Javeri	16800000	44777654
ii) Shri. Abhishek A Javeri	16800000	44854154
iii) Smt. Seema A Javeri	16800000	28476727
iv) Shri Nitin R Jani	9280000	8569000
(B) Guarantee Commission paid / payable		
i) Shri. Asit D.Javeri	2550360	0
ii) Shri. Abhishek A Javeri	1700240	0
(C) Revenue from sale of goods		
i) Aayan Nanotech Private Limited	73027250	26196000
(D) Interest received / receivable		
(i) PAE Limited	4000000	1742425
(E) Director Sitting Fees		
i) Shri. Arvind R Doshi	96000	
ii) Shri. Priyam S Jhaveri	96000	
iii) Shri. Pradeep N Desai	80000	
iv) Shri Amit M Mehta	50000	
(F) Loan / Advances given during the year		
i) Life Style Networks Limited	3035882	0
ii) PAE Limited	0	40000000
(G) Purchase of Capital Assets		
i) Chandra Net Limited	800000	0
(H) Loans received (net of repayment) during the year		
i) Shri. Asit D.Javeri	8397658	0
(I) Closing Balances - Debit/(Credit)		
i) Shri. Asit D.Javeri	9756791	13887141
ii) Shri. Abhishek A Javeri	518533	12955502
iii) Smt. Seema A Javeri	2928053	8338220
iv) Aayan Nanotech Private Limited	6527250	4970000
v) Life Style Networks Limited	3035882	0
vi) PAE Limited	45168219	41568219



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 33 : Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group 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 Group. Such changes will be reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Group has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.



Sadhana Nitro Chem Limited

Notes forming part of the Consolidated financial Statements for the year ended March 31, 2020

Note 34 : Segment Information

34.1 - Primary Segment

An operating Segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial performance is available.

"Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the type of goods & services delivered or provided. The group is in the business of manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and manufacture of wireless network equipment and services. The accounting policies of the operating segments are the same as the accounting policies disclosed in Note No. 2 to these consolidated financial statements. The revenues, total assets and net profit as per the Statement of Profit & Loss represent the revenue, total assets & net profit of both the operating segments. However, since the revenue, profits & total assets of one of these segments (manufacture of wireless network equipment & services) is less than 10% of the combined revenue, profits & assets of all the operating segments, disclosures as required by Ind-As 108, 'Operating Segments' are not given."

34.2 - Secondary Segment

"The Group's secondary segments are the geographic distribution of activities. Revenue & receivables are specified by location of customers while the other geographic information is specified by locations of assets / liabilities. The Group has two geographical segments based upon location of its customers with and outside India."

Particulars	March 31, 2020	March 31 2019
Revenue		
India	343465382	630995901
Outside India	684781264	1965308252
Total	1028246646	2596304153
Assets (Trade Receivables)		
India	27053350	18085506
Outside India	263385599	137813599
Total	290438949	155899105

Other than above, the following assets of the Anuchem BVBA, Belgium are held outside India

	March 31, 2020	March 31 2019
a) Inventories	208792315	187390166

34.3 - Reporting of Customers contributing more than 10% of revenue

Particulars	March 31, 2020	March 31 2019
Total number of customer contributing 10 % of revenue each	3	4
Total Revenue From Above Customers	957056762	1251008356

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

Note 35 : Fair Value Measurement

(a) Financial Instrument by category

	March 31, 2020	March 31 2019
Measured at Amortised Cost		
- Trade Receivables	290438949	155899105
- Cash and Cash Equivalents	5838159	90225316
- Bank Balance other than Cash and Cash Equivalents	2176255	2801925
- Other Financial Assets	93828598	103335556
- Loans and advances	2817936	2219218
Measured at Fair Value through Profit & Loss		
Measured at Fair Value through other comprehensive income		
- Investment - Non-current	0	0
- Investment - Current	55116248	52022442
Financial Liabilities		
Measured at Amortised Cost		
- Borrowings	435022267	43337931
- Trade Payables	219245575	121098086
- Other Financial Liabilities	56658245	78864495

(b) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

The Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

As at March 31, 2020	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	0		0
- Investment - Current	55116248		0



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2020

As at March 31, 2020	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	0	0	0
- Investment - Current	52022442	0	0

Note 36 : Impact of Covid-19

The outbreak of Coronavirus (Covid-19) pandemic has caused significant disruption and slowdown of economic activities throughout the world and has impacted the operation of the Group's business, by way of interruption in production, supply chain disruption, unavailability of personnel's, the closure of production facilities, suspension of trading activities etc. On 24th Mar 2020, the Government of India ordered a nationwide lockdown initially for 21 days which further got extended from time to time till 3rd May 2020 to prevent community spread of COVID-19.

In accordance with orders issued by the central and state government authorities, the plant of the company and trading activities were temporarily shut down in March 2020 and subsequent to the year-end, plant has recommenced operations in compliance with the applicable guidelines. Due to implementation of lockdown in March 2020, the company lost sizeable revenue. The Management has performed detailed assessment of its liquidity position and recoverability of the assets as at the Balance Sheet date and has concluded that based on current indicators of the future economic condition, there is no material impact on the carrying value of the current assets. In evaluating the possible impact due to COVID-19, the parent company has used internal and external sources of information available till date. Considering the nature of COVID-19, the parent company will continue to closely monitor any material changes to future economic conditions which may impact its business, if any.

The Company on the basis of internal assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk & own credit risk while assessing and measuring expected credit loss. The Company continues to believe that there is no material impact on the realizability of the financial assets.

"Financial investments carried at fair value as at March 31, 2020 is Rs. 5,51,16,248/-. All of these financial investments are classified as Level 1 having fair value of Rs. 5,51,,16,248/- as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainty arising out of COVID-19. A substantial amount of these investments is in liquid debt securities and accordingly, any material volatility is not expected."

Note 37 : Events Occuring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

Note 38 : Previous Year Figures

Previous year's figures have been regrouped, rearranged & reclassified wherever considered necessary

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Mumbai
Date: 29.07.2020

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director & CFO

Smt. Seema A Javeri
Executive Director Administration

Nitin R Jani
Company Secretary

Arvind R Doshi
Director

Priyam S Jhaveri
Director

Pradeep N Desai
Director

Amit M Mehta
Director



Spidigo Net Pvt. Ltd.
Balance Sheet as at March, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	23,472,353	28,995,639
(b) Capital work-in-progress		-	-
(c) Financial Assets			
(i) Loans	3	293,920	293,920
(d) Deferred Tax Asset (net)	4	698,986	698,986
		24,465,259	29,988,545
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5	702,230	1,159,164
(ii) Other Financial Assets	6	43,002,895	37,880,350
(b) Other current assets	7	3,602,411	2,189,092
		47,307,536	41,228,607
Total		71,772,795	71,217,152
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8	100,000	100,000
(b) Other Equity	9	(36,009,571)	(46,006,116)
		(35,909,571)	(45,906,116)
LIABILITIES			
Non-current liabilities			
(a) Provisions	10A	4,439,570	4,439,570
(b) Financial Liabilities			
(i) Borrowings	11A	66,265,984	2,354,500
		70,705,554	6,794,070
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11B	-	46,757,297
(ii) Trade payables	12	-	-
I. Due to Micro, Small and Medium Enterprises		9,797,625	5,917,931
II. Due to Others		6,995	456,995
(b) Provisions	10B	27,172,192	57,196,975
(c) Other current liabilities	13		
		36,976,812	110,329,198
Total Equity and Liabilities		71,772,795	71,217,152
		(0)	

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 19)
In terms of our report attached.

For and on behalf of the Board of Directors
Abhishek Javeri **Seema Javeri**
Director **Director**
DIN : 00273030 **DIN : 01768936**



Spidigo Net Pvt. Ltd.
Statement of Profit and Loss for the year ended March 31, 2020

	Particulars	Note No.	For the period ended March 31, 2020	For the year ended March 31, 2019
(I)	Revenue from operations	14	25,120,643	40,643,986
(II)	Other Income	15	78,850	126,687
(III)	Total Income (I + II)		25,199,493	40,770,673
(IV)	EXPENSES			
	(a) Cost of materials consumed	16A	-	-
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	16B	-	-
	(c) Employee benefits expense	17	2,057,942	1,520,392
	(d) Finance costs	18	3,642,651	469,583
	(e) Depreciation	2	5,523,286	7,048,168
	(f) Other expenses	19	3,979,070	26,909,277
	Total Expenses (IV)		15,202,949	35,947,420
(V)	Profit/(loss) before exceptional items and tax (III - IV)		9,996,544	4,823,253
(VI)	Exceptional Items		-	-
(VII)	Profit/(loss) before tax (V - VI)		9,996,544	4,823,253
(VIII)	Tax Expense			
	(1) Current tax		-	485,146
	(2) Deferred tax	4	-	(241,157)
	Total tax expense		-	243,989
	Profit/(loss) for the period (VII - VIII)		9,996,544	4,579,264
(IX)	Other Comprehensive Income			
(X)	(i) Items that will not be re-classified subsequently to profit or loss		-	-
	Re-measurement on defined benefit plans		-	-
	Income Tax effect		-	-
	(ii) Items that will be re-classified subsequently to profit or loss		-	-
	Exchange differences in translating financial statements of a foreign operation		-	-
	Income Tax effect		-	-
	Total of Other Comprehensive Income ((i) + (ii))		-	-
(XI)	Total Comprehensive Income (IX + XI)		9,996,544	4,579,264
(XII)	Earnings per equity share (Rs.)			
	(1) Basic		1,000	458
(XIII)	(2) Diluted		1,000	458

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 19)

In terms of our report attached.

For and on behalf of the Board of Directors
Abhishek Javeri **Seema Javeri**
Director **Director**
DIN : 00273030 **DIN : 01768936**

Spidigo Net Pvt. Ltd.
Cash Flow Statement for the year ended March 31, 2020

Particulars	For the period ended March 31, 2020		For the year ended March 31, 2019
A. Cash flow from operating activities		9,996,544	4,823,253
Profit before tax			
Adjustments for:			
Depreciation and amortisation expenses	5,523,286		7,048,168
Loss on Sale of Fixed Assets	-		11,323
Finance costs	3,642,651		469,583
		9,165,937	7,529,074
Operating profit / (loss) before working capital changes		19,162,481	12,352,327
Changes in working capital:			
Loans and Other Financial Asstes	(6,535,863)		4,854,468
Trade Payables	3,879,694		(5,932,936)
Current Liability	(30,024,783)		(41,078,636)
Provisions	(450,000)		(481,844)
Trade receivables	-		-
		(33,130,952)	(42,638,948)
Cash generated from operations		(13,968,471)	(30,286,621)
a.Direct Taxes (Paid)		-	-
Net cash flow from / (used in) operating activities (A)		(13,968,471)	(30,286,621)
B. Cash flow from / (used in) investing activities			
a.Purchase Of Fixed Assets	-		(40,000)
(Net of Adjustment for capital Work-in-progressb.			
Acquisition /Sale of Investment(Net)	-		4,238
		-	
Net cash flow from / (used in) investing activities (B)		-	(35,762)
C. Cash flow from / (used in) financing activities			
a.Secured Borrowings -Net of Repayment	17,154,187		-
b.Unsecured Borrowings -Net of Repayment	(3,642,651)		30,627,772
c. Interest Paid			(469,583)
		13,511,537	30,158,190
Net cash flow from / (used in) financing activities (C)		13,511,537	30,158,190
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(456,934)	(164,193)
Cash and cash equivalents at the beginning of the year		1,159,164	1,323,357
Cash and cash equivalents at the end of the year		702,230	1,159,164

**Notes:**

Figures in brackets represent outflows

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 19)
In terms of our report attached.

For and on behalf of the Board of Directors

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936



Spidigo Net Pvt. Ltd.
Statement of Change in Equity for the year ended March 31, 2020

A. Equity Share Capital

Particulars	Opening balance	Changes during the year	Closing balance
As at 31st December 2019	100,000	-	100,000
As at 31st March 2020			

B Other Equity

Particulars	Reserves and Surplus (Retained Earnings)	Other comprehensive income	Total
Balance as at 01 April 2018	(47,182,123)	-	(47,182,123)
Addition during the year	-	-	-
Surplus in the Statement of Profit and loss	-	-	-
Balance as at 31 March 2019	(47,182,123)	11,76,008	(46,006,115)
Balance as at 01 April 2019	(46,006,115)	-	(46,006,115)
Addition during the year	99,96,544	-	99,96,544
Surplus in the Statement of Profit and loss	-	-	-
Balance as at 31 March 2020	(36,00,9571)	-	(36,00,9571)

In terms of our report attached.

For and on behalf of the Board of Directors

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936

Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Note 2: Property, Plant and Equipment

(Amount in Rs)

Particulars	Gross Block			Depreciation			As at 31.03.2020	As at 01.04.2019
	As at 01.04.2019	Additions during the year	Deductions during the year	As at 31.03.2020	Additions during the year	Deductions during the year		
Plant and Equipment Furnitures & Fixtures Office Equipment Computer	43,885,114 1,788,654 315,885 2,650,414	- - - -	- - - -	43,885,114 1,788,654 315,885 2,650,414	5,252,932 192,012 37,416 40,926	- - - -	22,741,773 21,143,341 1,239,309 549,345 45,549 135,686	27,994,705 741,357 82,965 176,612
Total	48,640,067	-	-	48,640,067	5,523,286	-	23,472,353	28,995,639
Previous year as at March 31, 2018	37,497,505	11,967,528	1,252,461	48,212,572	7,382,674	276,169	35,607,873	31,999,311
Particulars	Gross Block			Depreciation			As at 31.03.2019	As at 01.04.2018
	As at 01.04.2018	Additions during the year	Deductions during the year	As at 31.03.2019	For the year	On deductions		
Plant and Equipment Furnitures & Fixtures Office Equipment Computer	43,433,619 1,812,654 315,885 2,650,414	451,495 - - -	- 24,000 - -	43,885,114 1,788,654 315,885 2,650,414	6,413,836 262,863 68,156 303,313	- 8,439 - -	15,890,409 1,047,297 232,920 2,473,802	33,957,046 1,019,781 151,121 479,925
Total	48,212,572	451,495	24,000	48,640,067	7,048,168	8,439	28,995,639	35,607,873
Previous year as at March 31, 2019	37,497,505	11,967,528	1,252,461	48,212,572	7,382,674	276,169	35,607,873	31,999,311

Footnotes :

- (i) Fair valuation as deemed cost for Property, Plant and Equipment:
(ii) Plant & Equipment includes Computers and Office Equipments



Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Note 3: Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current Loans (Unsecured Considered Good, unless otherwise stated)		
Security Deposits	293,920	293,920
Total	293,920	293,920

Note 4: Deferred Tax Asset (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Deferred Tax Asset</u>		
Employee Benefit obligations		-
On Account of Depreciation	698,986	698,986
Other disallowable expenses	-	-
Others	-	-
	698,986	698,986
<u>Items that will not be re-classified subsequently</u>		
Re-measurement on defined benefit plans	-	-
Net Deferred Tax Liability (Asset)	-	-
<u>Deferred Tax Asset</u>		698,986

Footnote :

Deferred tax asset on unabsorbed depreciation as per the Income Tax Act, 1961 has been recognised, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

Note 5: Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	199	399
Balance with bank in current account	530,852	56,728
Fixed Deposit	171,179	1,102,037
Total	702,230	1,159,164



Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Note 6: Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Other Current Financial Assets		
Advance recoverable in Cash or Kind	2,339,368	36,596,291
Prepaid Expenses	-	1,251,424
Advance to Employees	20,805	20,805
Bank FD Interest Accrued	11,830	11,830
Cgabdra Net Pvt Ltd	36,131,457	
pace Internet pvt ltd Total	4,499,435	
Total	43,002,895	37,880,350

Note 7: Other Asstes

Particulars	As at March 31, 2020	As at March 31, 2019
Other Current Asstes (Unsecured Considered Good, unless otherwise stated)		
Balance with Statutory Authorities	3,602,411	2,189,092
Total	3,602,411	2,189,092

Note 8: Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Capital: 10,000 Equity Shares of Rs 10/- each (March 31, 2018: 10,000 Equity Shares of Rs 10/- each) (April 1, 2017: 10,000 Equity Shares of Rs 10/- each)	100,000	100,000
	100,000	100,000
Issued Subscribed & Paid up: 10,000 Equity Shares of Rs.10/- each fully paid (March 31, 2020: 10,000 Equity Shares of Rs 10/- each) (April 1, 2019: 10,000 Equity Shares of Rs 10/- each)	100,000	100,000
Total	100,000	100,000

Footnotes :

(i) The company has only one class of equity shares having at par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distrubution will be in proportion to number of shares held by share holder.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year



Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020	
	Equity Share	
	No.of Shares	Amount
Equity		
No of shares outstanding at the beginning of the year	10,000	100,000
Add: Additional shares issued during the year year	-	-
Less: Shares forfeited/Bought back during the year	-	-
No of shares outstanding at the end of the year	10,000	100,000

Particulars	As at March 31, 2020	
	No.of Shares	% of Holding
Seema Asit Javeri	-	-
Ami Abhishek Javeri	-	-
Sadhana Nitro Chem Ltd	9,999	100%
Abhishek Javeri as a Nominee of Sadhana Nitro Chem Ltd	1	0%

Note 9: Other Equity

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
I	Retained Earnings		
	Opening balance	(47,182,123)	(51,761,388)
	Add: Profit / (Loss) for the year	9,996,544	4,579,264
	Closing Balance	(37,185,579)	(47,182,123)
ii	Other Comprehensive Income (OCI)		
	Opening Balance	1,176,008	1,176,008
	Add: Movement in OCI (Net) during the year	-	-
	Closing Balance	1,176,008	1,176,008
	Total	(36,009,571)	(46,006,115)



Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Note 10: Provisions

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Non Current		
	Employee Benefit Obligations		
	(i) Compensated absences	-	-
	(ii) Gratuity (Refer Note No. 19)	4,439,570	4,439,570
	Total	4,439,570	4,439,570
B	Current		
	Employee Benefit Obligations		
	(i) Compensated absences	-	-
	(ii) Gratuity (Refer Note No. 19)	6,995	456,995
	Provision for Income TaxTotal		
	Total	6,995	456,995

Note 11: Borrowings

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Non-Current Term Borrowings		
(i)	Inter Corporate Deposit [Refer Footnote (I)]	66,265,984	2,354,500
	Total	66,265,984	2,354,500
B	Current Term Borrowings		
(i)	Inter Corporate Deposit		-
(ii)	Book overdraft	-	46,757,297
	Total		46,757,297

Note 12: Trade Payables

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
	Micro and Small Enterprises (Refer Note A)		
	Others	9,797,625	5,917,931
	Total	9,797,625	5,917,931

Note A: There is no amount due from any of the Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006".



Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Note 13: Other Liabilities

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
	Other Current Liabilities		
	Statutory Dues	6,856,099	12,161,833
	Advance From Customer	445,688	25,580,994
	Deposit from Customer	11,525,694	11,374,567
	Payable to Employees	1,699,794	1,434,664
	Other Provision	6,644,917	6,644,917
	Total	27,172,192	57,196,975

Note 14: Revenue from Operations

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
	Sales		
	(a) Internet Service Sale	25,120,643	40,643,986
	(b) Traded Goods	-	-
	Total	25,120,643	40,643,986

Note 15: Other Income

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
	Other Income	3	5,132
	FD Interest Income	78,847	93,937
	Customer Deposit Forfeited	-	1,250
	Intrest Income on Income Tax refund	-	2,568
	Profit on Sale of Fixed Assets	-	23,800
	Total	78,850	126,687

Note 16A: Cost of materials consumed

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
	Inventory at the beginning of the year	-	-
	Add: Purchases	-	-
	Less: Inventory at the end of the year	-	-
	Cost of materials consumed	-	-



Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Value of Raw Material Consumed	For the period ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018	For the period ended March 31, 2020	For the year ended March 31, 2019
Imported	0.00%	0.00%	0.00%	-	-
Indigeneous	0.00%	0.00%	0.00%	-	-

Sr. No	Raw Material Consumed	As at March 31, 2020	As at March 31, 2019
	Routers	-	-
		-	-

Note 16B- Changes in inventories of finished goods, stock-in-trade and work-in-progress

Sr. No	Raw Material Consumed	As at March 31, 2020	As at March 31, 2019
	(I) Opening Stock	-	-
	Work in progress	-	-
	Finished goods	-	-
	Total (I)	-	-
	(ii) Closing Stock	-	-
	Work in progress	-	-
	Finished goods	-	-
	Total (ii)	-	-
	Changes in Inventories Decrease/(Increase)(i-ii)	-	-
	Total		

Note 17: Employee Benefit Expenses

Sr. No	Particulars	For the period ended March 31, 2020	For the year ended March 31, 2019
	Salaries and wages, including bonus	1,752,256	93,034
	Contribution to Provident and other funds	-	7,237
	ESIC Damages	305,686	1,180,773
	Staff welfare expenses	-	239,348
	Total	2,057,942	1,520,392



Spidigo Net Pvt. Ltd.
Notes forming part of the financial Statements for the year ended March 31, 2020

Note 18: Finance Cost**(Amount in Rs.)**

Sr. No	Particulars	For the period ended March 31, 2020	For the year ended March 31, 2019
	Interest expense on term loans and other financial liabilities Bank Commission and Other Interest Charges	- 3,642,651	- 469,583
	Total	3,642,651	469,583

Note 19: Other Expenses**(Amount in Rs.)**

Sr. No	Particulars	For the period ended March 31, 2020	For the year ended March 31, 2019
	Power and Fuel	-	120,077
	Rent, Rates and Taxes	-	680,832
	Repair and Maintenance Expenses	8,300	186,679
	Travelling and Conveyance Expenses	20,981	486,834
	Deployment Expense	1,425,594	2,497,004
	Fiber Expense	-	145,202
	Computer Repairing Exp	-	-
	Fiber Rent	-	1,534,494
	Freight Charges	-	825
	Stores & Spares (Consumable Exps)	-	134,945
	Software Support Charges	6,000	19,190
	Sundry Balances W/off	-	45,930
	Membership Fees - Foreign Currency	-	283,500
	Other Exp	240,035	55,130
	Recruitment Charges	-	-
	Telephone and Mobile Expenses	1,400	18,560
	Loading-Unloading Charges	-	-
	Office and Other Expenses	1,210	44,633
	Loss on Sale of Fixed Assets	-	11,323
	Registration Fees and Exp.	-	-
	Internet and Domain Charges	2,253,750	19,421,329
	Printing and Stationery Charges	-	7,063
	Legal and Professional Charges	19,700	849,956
	Books & Periodicals	-	-
	Interest on TDS	-	-
	House Keeping Charges	-	17,944
	Postage and Courier Exp	-	1,165
	Insurance Charges	-	7,863
	Late Fee, Fine, Penalty, Etc.	-	6,550
	Security Services	-	-
	Sales & Marketing Exp.	2,100	107,250
	Audit Fees [*]	-	225,000
	Total	3,979,070	26,909,277



Note A : <u>Payment to Auditors :</u> <u>As Auditor</u> Statutory Audit Fee Tax Audit Fee		200,000 25,000
		225,000

In terms of our report attached.

For and on behalf of the Board of Directors

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936



ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA

BALANCE SHEET AFTER DISTRIBUTION OF PROFIT

As at 31-Dec-2019

(Currency: Euro)

LIABILITIES

	2019 (Currency: Euro)	2018 (Currency: Euro)
(1) Shareholders Fund:		
a) Share Capital - Issued Capital	18750.00	18750.00
b) Reserves:		
i) Legal Reserve	1875.00	1875.00
ii) Profit & Loss Account	54782.93	52505.12
	56657.93	54380.12
(2) Current Liabilities:		
a) Trade Payables	2945377.27	0.00
b) Advance from client	0.00	1048196.14
b) Services	17644.95	17641.88
c) Dividend Payables	5625.00	5625.00
d) Tax Payables	1410.07	326.72
	2970057.29	1071789.74
TOTAL OF LIABILITIES	3045465.22	1144919.86
ASSETS:		
1) Non-current Assets		
a) Fixed Assets	1830.97	1830.97
Less: Depreciation	1830.97	1830.97
	0	0
2) Current Assets		
a) Inventories	2403017.21	258997.34
b) Receivables		
i) Trade Receivables	396207.92	317383.82
i) Advance to supplier	193018.47	560475.08
ii) Vat Receivable	583.85	2015.13
	589810.24	879874.03
3) Liquid Resources	52637.77	6048.49
TOTAL OF ASSETS	3045465.22	1144919.86

AGIVER BVBA
Accountantskantoor
Reg nr 4755.2N 53

Antwerp, 11th June, 2020

Verschaeren Ronny
Director

Verreyken Luc
Auditor



ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA PROFIT AND LOSS ACCOUNT

As at 31-Dec-2019

(Currency: Euro)

LIABILITIES

	2019 (Currency: Euro)	2019 (Currency: Euro)
INCOME:		
Turnover	2195300.04	6317127.46
Interest Received	332.27	478.02
Increase/decrease in closing stock	2144019.87	258765.71
Income/(loss) on exchange fluctuation	-10691.55	-67442.03
	4328960.63	6508929.16
EXPENSES:		
Purchases	4223047.93	6276916.88
Clearing & forwarding charges	91919.65	126348.99
Travelling & administrative expenses	7710.57	10947.50
Local Taxes	445.50	443.50
Financial Expenses	2417.86	15574.03
Depreciation/traded Dr w/off	0.00	0.00
	4325541.51	6430230.90
PROFIT BEFORE TAXATION:	3419.12	78698.26
Less: Taxes provided for the year	1141.31	470.12
PROFIT/(LOSS) AFTER TAX:	2277.81	78228.14
Add: Carried over profit of last year	52505.12	-20098.02
Less: Payment of Dividend	0	-5625.00
Profit/(Loss) to be carried over	54782.93	52505.12

AGIVER BVBA
Accountantskantoor
Reg nr 4755.2N 53

Antwerp, 11th June, 2020

Verschaeren Ronny
Director

Verreyken Luc
Auditor



DIRECTOR'S REPORT

The Directors of Anuchem BV are pleased to submit herewith the annual report and Audited statement of accounts for the year ended 31st December 2019

Review of business:

The principal activities of the company continued to be marketing of Chemicals. The Turnover during the year was EUR 2.195.300,04 (2018 - EUR 6.317.127,46). The Profit after Tax at EUR 2.277,81 (2018 profit after Tax as at - EUR 78.228,14)

The directors opined that, barring unforeseen circumstances the performance of company is expected to improve in the current financial year.

DIVIDEND :

The directors have decided that there will be a no dividend for the year 2019.

AUDITORS :

The auditors, Mr Luc Verreyken of Agiver BV, accountantskantoor have expressed their willingness to continue as Auditors and the Directors will place a resolution before the general meeting for their re-appointment.

On behalf of board

A.D. Javeri
Director

Antwerpen, 11th June, 2020



AUDITORS REPORT

AGIVER BVBA ACCOUNTANTSKANTOOR
BISSCHOPPENHOFLAAN 588
2100 DEURNE
REG. N° 4755 2N 53

To the shareholders of Anuchem BVBA:

I have audited the balance sheet of Anuchem BVBA as at 31st December 2019 and the related Profit and loss account which have been prepared on the basis of accounting policies stipulated under Chapter II of the royal decree of 8th October 1976.

The said accounting policies have not been altered in relation to the previous financial year. The profit and loss account is not being majorly influenced by yields and costs that have to be ascribed to the previous financial year.

I have conducted my audit in accordance with the auditing standards issued by IAB Accountants organisation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the companies circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also considered the overall adequacy of the presentation of information in the financial statement.

In my opinion the financial statement give a true and fair view of the state of affairs of the company at 31st December, 2019 and of the profit or Loss for the year then ended and have been properly prepared in accordance with the requirement of the Belgium Company law.

Antwerpen, 11th June, 2020

For Agiver Bvba
Luc Verreyken
Reg. N°. 4755 2N 53



AUDITORS REPORT

1) ACCOUNTING POLICIES:

The Principal accounting policies adopted by the company are as follows:

a) BASIS OF ACCOUNTING:

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standard.

b) STOCKS:

Stocks are valued at lower of cost or net realisable value.

c) CURRENCIES:

This accounts have been prepared in Euro. (€)

d) FOREIGN CURRENCIES:

Revenue transactions in foreign currencies are translated in Euro at the exchange rate prevailing on the date of transaction.

At the end of the financial year the Assets and liabilities expressed in foreign currencies are translated in to Euro at the rate of exchange ruling at the end of financial year.

e) DEPRECIATION:

Depreciation on Fixed assets is at the rate of 20% per annum on straight line basis. f)

TAXATION:

Tax payable is provided on taxable profit at the current tax rate.

2) SHARE CAPITAL

Authorised, allotted and fully paid-up: 750 shares of € 25,00 Euro each.

3) RECIEVABLES (due within one year)

	More than 6 Months		Others	
	2019	2018	2019	2018
a) Trade receivable	0.00	0.00	3,96,207.92	3,17,383.82
b) Advance to supplier	0.00	0.00	1,93,018.47	5,60,475.08
c) Vat receivable	-	-	583.85	2,015.13
	0.00	-	5,89,810.24	8,79,874.03

4) SUPPLIERS (due within one year)

	More than 6 Months		Others	
	2019	2018	2019	2018
a) Trade receivable	26,12,644.06	-	3,32,733.21	53,043.61
b) Advance to supplier	-	-	0.00	10,48,196.14
c) Vat receivable	-	-	17,644.95	17,641.88
	26,12,644.06	-	3,50,378.16	11,18,881.63

AGIVER BV
Accountantskantoor
Reg nr 4755.2N.53

A.D. JAVERI
Director

Antwerp, 11th June 2020



NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BV FOR 2019

TRAVELLING AND AMINISTRATIVE EXPENSES

	2019	2018
Fees & professional charges	6,850.72	9,592.70
Register and publication costs	72.10	70.20
Other business expenses	787.75	1,284.60
	<u>7,710.57</u>	<u>10,947.50</u>

CLEARING AND FORWARDING CHARGES

Freight sales	55,552.13	96,269.77
Freight purchase/storage	24,367.52	18,078.22
Fee for bookkeeping	12,000.00	12,000.00
	<u>91,919.65</u>	<u>1,26,347.99</u>

LOCAL TAXES

Local taxes	445.50	443.50
	<u>445.50</u>	<u>443.50</u>

FINANCIAL EXPENSES

Interests	-1.53	51.05
Bankcharges	2,419.39	3,694.81
Factoring fee + subscription	0.00	11,752.27
Interests on Factoring	0.00	75.88
Difference in payments	0.00	0.00
	<u>2,417.86</u>	<u>15,574.01</u>

LIQUID RESOURCES

Belfius (Usd)	38,237.11	1,368.16
Belfius (Euro) + Deposit factoring	14,400.66	4,680.33
	<u>52,637.77</u>	<u>6,048.49</u>

Cash Balance	0.00	0.00
	<u>52,637.77</u>	<u>6,048.49</u>

AGIVER BV
Accountantskantoor
Reg nr 4755.2N.53

A.D. JAVERI
Director

Antwerp, 11th June 2020