

# **Emmessar Biotech & Nutrition Ltd.**



**28<sup>th</sup> ANNUAL REPORT**

**2019 - 2020**

## 28<sup>th</sup> ANNUAL REPORT

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### **BOARD OF DIRECTORS**

Shri. Ashok M. Kadakia (Chairman)  
Shri. MSR Ayyangar (Managing Director)  
Shri. Vijay K. Agrawal  
Dr. (Mrs.) Anuradha S. Raghavan  
Dr. (Mrs.) Sarada S. Raghavan

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### **CHIEF FINANCIAL OFFICER**

Shri. Jeyavel B. Nadar

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### **AUDITORS**

V. Sankar Aiyar & Co.,  
Chartered Accountants  
2-C, Court Chambers  
35, New Marine Lines,  
Mumbai - 400 020

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### **REGISTERED OFFICE & FACTORY**

Plot No. T-3/2, MIDC Area,  
P.O. Box No. 39,  
Taloja - 410 208,  
Dist. Raigad, Maharashtra.  
Tel: 022-20870587

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### **ADMINISTRATIVE OFFICE**

29, Kamer Building, 4th floor,  
38, Cawasji Patel Street,  
Fort, Mumbai - 400 001.  
Tel : 022-49738167/68  
Email: enquiries@ebnl.org  
Exclusive email for Investors: investors@ebnl.org  
Website: www.ebnl.org

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## NOTICE

NOTICE is hereby given that the Twenty Eight Annual General Meeting of the Members of EMESSAR BIOTECH & NUTRITION LIMITED will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") on Wednesday, September 30, 2020 at 10:30 a.m. to transact the following business:

### ORDINARY BUSINESS

- (1) To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 along with the reports of the Board of Directors and the Auditors thereon; and
- (2) To appoint a Director in place of Dr. (Mrs.) Sarada S Raghavan (DIN: 06641146), who retires by rotation and being eligible offers herself for re-appointment.

By the order of the Board  
For Emmessar Biotech & Nutrition Limited

Place: Mumbai  
Date: 30.06.2020

MSR Ayyangar  
Managing Director

### NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC or OAVM without the physical presence of the Members at a common venue. In compliance with the relevant provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and these aforesaid MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxies need not be Members of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.  
Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to [dinesh.deora@yahoo.com](mailto:dinesh.deora@yahoo.com) with a copy marked to the Company at [investors@ebnl.org](mailto:investors@ebnl.org) and to its RTA at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in)

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. At the Twenty-Seventh AGM held on September 27, 2019, the Members approved the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai (Registration No. 109208WW) as Statutory Auditors of the Company to hold office from the conclusion of that AGM till the conclusion of the AGM to be held for the Financial Year 2022-23. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Thirtieth AGM.
5. The relevant details of Directors seeking appointment under Item No. 2 of the Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter referred as the SEBI LODR Regulations, 2015) and Secretarial Standards 2 are also annexed.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive).
7. 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. 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 i.e. September 30, 2020. Members seeking to inspect such documents can send an e-mail to [investors@ebnl.org](mailto:investors@ebnl.org).
8. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company's Registrar & Transfer Agents.
9. Members holding shares in physical form are requested to notify/ send the following to the Company's Registrar and Share Transfer Agents to facilitate better service:
  - a. any change in their address/ mandate/ bank details
  - b. particulars of their bank account in case the same have not been sent earlier; and
  - c. share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

## 28th ANNUAL REPORT

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10. 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 details to the Company/ Registrar and Share Transfer Agents.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
12. Members who would like to ask any questions on the Financial Statements are requested to send their questions through email on [investors@ebnl.org](mailto:investors@ebnl.org) at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Depository Participants ("DP") for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Shareholders who have not got their e-mail address registered or wish to update a fresh e-mail address may do so by submitting the attached E-mail Registration-Cum Consent Form duly filled and signed along with a self-attested scanned copy of their PAN Card and AADHAAR Card to the Company at the e-mail address [investors@ebnl.org](mailto:investors@ebnl.org) consenting to send the Annual Report and other documents in electronic form.
15. Pursuant to the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the SEBI LODR Regulations, 2015, as amended, electronic copy of the Notice and Annual Report 2019-20 is being sent to the Members whose e-mail IDs are registered with the Company/ Depository Participant(s) (in case of shares held in demat form) or with Link Intime India Private Limited (in case of shares held in physical form).

As per the MCA General Circular 20/2020 dated 5th May, 2020, the Annual Report 2019-20 will be sent through electronic mode to only those Members whose e-mail IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository Participant.

Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report 2019-20 will be available on the Company's website [www.ebnl.org](http://www.ebnl.org); websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
16. Nomination facility for shares is available for Members. For Members holding shares in physical form, the prescribed form can be obtained from the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited having address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400 083. For Members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.
17. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register their e-mail IDs with M/s. Link Intime India Private Limited for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended.
18. Since the AGM will be held through VC/OAVM, the Route map of the Venue of the AGM is not annexed to this Notice.
19. Voting through electronic means:

In compliance with the provisions of Section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Private Limited (LI IPL), on all resolutions set forth in this Notice.

### The instructions for e-voting are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LI IPL).

The facility for e-voting shall also be made available at the AGM and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through e-voting.
- II. The Member(s) who have cast their vote by remote e-voting prior to the Annual General Meeting, may also attend/participate in the Annual General Meeting through VC/OAVM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on Saturday, 26<sup>th</sup> September, 2020 at 9.00 AM and ends on Tuesday, 29<sup>th</sup> September, 2020 at 5.00 PM. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday 23<sup>rd</sup> September, 2020, may cast their vote by remote e-voting. Remote e-voting shall not be allowed beyond the said date and time. The remote e-voting module shall be disabled by LI IPL for voting thereafter. Once the vote on a

resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

A person who is a Member as on the cut-off date shall only be entitled for availing the Remote e-voting facility or e-voting at the Meeting.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

- IV. The process and manner for remote e-voting is as under:
1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
  2. Click on "Login" tab, available under 'Shareholders' section.
  3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
  4. Your User ID details are given below:
    - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
    - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID.
    - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No. + Folio Number registered with the Company.
  5. Your Password details are given below:

If you are using e-voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat
	shareholders as well as physical shareholders).
	Members who have not updated their PAN with Depository Participant or in the Company record are
	requested to use the sequence number which is shared in the mail sent by LI IPL indicated in the PAN Field.

DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with Depository Participant or in the Company record for
	the said demat account or folio number in dd/mm/yyyy format.
	Or
Dividend Bank	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said
Details	demat account or folio number.
	Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details
	are not recorded with the Depository Participants or Company, please enter Folio number in the Dividend
	Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company, then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid e-mail address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/ her choice by providing the information about the particulars of the Security Question & Answer; PAN, DOB/ DOI, Dividend Bank Details, etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View "Event No" of the Company, you choose to vote,
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

## 28th ANNUAL REPORT

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Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on

"Print" option on the Voting page.

❖ General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/ Mutual Fund/ Corporate Body'.

They are also required to upload a scanned certified true copy of the Board Resolution/ authority letter/ power of attorney, etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian/ Mutual Fund/ Corporate Body' login for the Scrutinizer to verify the same.

During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- Shareholders holding multiple folios/ demat account shall choose the voting process separately for each of the folios/ demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an e-mail to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call on 022-49186175.

A copy of this Notice has been placed on the website of the Company and the website of Link Intime India Pvt. Ltd.

- The voting period begins on Saturday, September 26, 2020 and ends on Tuesday, September 29, 2020. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 23, 2020 may

cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting thereafter.

Instructions for Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the Scrutiniser during the Meeting, the Members who have not exercised their vote through the remote e-voting can cast their vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered e-mail Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.

Enter the number of shares (which represents No. of votes) as on the cut-off date under 'Favour/Against'.

You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Members who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the Meeting.

Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.

In case the Members have any queries or issues regarding e-voting, you can write an e-mail to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call on 022-49186175.

V. Instructions for Members for attending the AGM through InstaMeet (VC/OVAM):

Instructions for Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- 1) Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/ OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.



- 2) Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Members with > 2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors, etc. may be allowed to the Meeting without restrictions of first come first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the Meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
- 3) Members will be provided with InstaMeet facility wherein they shall register their details and attend the Annual General Meeting as under:
  1. Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:
    - a. Demat Account No.: Enter your 16 digit Demat Account Number or Folio Number registered with the Company
    - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
    - c. Mobile No.
    - d. Email ID
  2. Click "Go to Meeting"

**Note:**

Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the Members have any queries or issues regarding e-voting, they can write an e-mail to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call on 022-49186175.

**Instructions for Members to register themselves as Speakers during Annual General Meeting:**

Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker

by sending their request mentioning their name, demat account number/ folio number, e-mail id, mobile number at [investors@ebnl.org](mailto:investors@ebnl.org) from September 26, 2020 (9:00 a.m. IST) to September 29, 2020 (5:00 p.m. IST).

Members, who would like to ask questions may send their questions in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at [investors@ebnl.org](mailto:investors@ebnl.org). The same will be replied by the Company suitably.

**Note:**

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 speakers depending on the availability of time for the Annual General Meeting.

Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

**VI. Other Instructions**

Mr. Dinesh Kumar Deora, Practicing Company Secretary has been appointed as Scrutinizer for the purpose of remote e-voting and e-voting at the AGM. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and Link Intime India Pvt. Ltd. immediately after declaration of results by the Chairman or person authorized by him in writing. The results would be communicated to BSE Limited/ National Stock Exchange of India Limited and will be placed on their website thereafter. The result will also be displayed on the Notice Board of the Company at its Registered Office and the Corporate Office.

By the order of the Board  
For Emmessar Biotech & Nutrition Limited

Place: Mumbai  
Date: 30.06.2020

MSR Ayyangar  
Managing Director

## 28th ANNUAL REPORT

### Directors' Report

Your Directors present their 28<sup>th</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March 2020.

<b>Financial Results:</b>	(Rs. inLacs) 2019-2020	(Rs. inLacs) 2018-2019
Profit / (Loss) before Interest, Depreciation and Tax:	79.53	37.24
Depreciation:	5.77	7.86
Provision for Current Tax (MAT)	16.00	6.00
Deferred Tax	(2.05)	(1.91)
MAT Credit Available	(15.66)	(28.00)
Excess / (Short) Provision of earlier year	0.10	0.00
Profit / (Loss) after tax	75.37	53.29
Other Comprehensive income	0.05	0.95
<b>Total Comprehensive income</b>	<b>75.42</b>	<b>52.33</b>

#### Operations, Management's discussions and analysis:

As the arrangement so far made had not yielded the desired results, the Company is negotiating with several digital marketing experts for creating a suitable and effective marketing for all our products. This process could be arduous and time consuming as we are aiming at high level of success in the new attempt.

#### Dividends:

As the Company has accumulated losses, no dividend is recommended.

#### Change in nature of business, if any:

There has been no change in the nature of business of the Company during the year under review.

#### Amounts transferred to Reserves:

No amount is transferred to reserves.

#### Deposits:

The Company has not accepted any deposits from the public during the year under review.

#### Share Capital:

The company has not issued shares with voting rights and / or differential voting rights nor granted stock options nor sweat equity during the year under review.

#### Material Changes affecting the Financial Position of the Company:

There have been no material changes / events occurring after balance sheet date till the date of the report to be stated.

#### Directors and Key Managerial Personnel:

##### (A) Independent Directors:

The Company as on March 31, 2020 has two Independent Directors on Board:

1. Mr. Ashok M. Kadakia
2. Mr. Vijay K. Agarwal

All Independent Directors have furnished declarations that they meet the criteria of Independence as laid down under section 149 of the Companies Act, 2013.

The Company has received declarations with respect to independence from all the Independent Directors of the Company.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

##### (B) Cessation of Directors:

There was no cessation of Directors during the year under review.

##### (C) Appointment of Directors:

During the year under review, the following appointments were made

The Board of Directors at their meeting held on May 22, 2019 appointed Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agarwal as Independent Directors of the Company w.e.f. September 27, 2019 for a term of five years. Their appointment as Independent Directors for a period of Five years which was duly approved by the shareholders at the Annual General Meeting held on September 27, 2019

##### (D) Retire by Rotation:

Dr. (Mrs.) Sarada S. Raghavan retires by rotation at the ensuing Annual General Meeting. She, being eligible, has offered herself for re-appointment as the Director of the Company.

##### (E) Key Managerial Personnel:

Mr. Jeyavel Balaiah Nadar continues to act as Chief Financial Officer of the Company.

The Company is in the process of appointing a qualified company secretary

##### (F) Board Evaluation:

Pursuant to the provisions of the Company's Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and the Clause 49 of the listing Agreement that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

The performance evaluation of the independent Directors was completed. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the independent Directors. The Board of Directors expressed their satisfaction with the evaluation process



**Number of Meetings of the Board:**

During the Financial Year 2019-2020, four meetings of the Board of Directors were held on 22<sup>nd</sup> May, 2019, 5<sup>th</sup> July, 2019, 1<sup>st</sup> November, 2019 and 7<sup>th</sup> February, 2020.

**Particulars of Loans, Guarantees or Investments by Company:**

Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act 2013 are given in the notes to Financial Statements.

**Whistle Blower Policy:**

The Company has a whistle blower policy to report genuine concerns or grievances.

**Remuneration and Nomination Policy:**

The Company has formulated the Nomination & Remuneration policy for its directors, key managerial personnel and other employees keeping in view the followings

- 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:

This policy also lays down criteria for selection and appointment of Board Members.

**Vigil Mechanism:**

Company established a vigil mechanism pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement for their directors and employees to report their genuine concerns or grievances.

**Risk Management Policy:**

The Board has been vested with specific responsibilities in assessing of risk management policy, process and system. The Board has evaluated the risks which may arise from the external factors such as economic conditions, regulatory framework, competition etc. The Executive management has embedded risk management and critical support functions and the necessary steps are taken to reduce the impact of risks. The Independent Directors expressed their satisfaction that the systems of risk management are defensible.

**Related Party Transactions:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions are placed before the Audit Committee.

**Significant and Material Orders passed by the Regulators or Courts:**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

**Directors Responsibility Statement:**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- (i) That in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) The directors had selected such 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 the Company as at 31st March, 2020 and of the profit / loss of the Company for that period;
- (iii) That the Directors 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 the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis;
- (v) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Corporate Social Responsibility (CSR):**

The company is not covered under the Companies (Corporate Social Responsibility) Rules 2013.

**Internal Control System and Adequacy:**

The Company has a proper and adequate internal control system to ensure that its assets are safeguarded and protected against unauthorized use and disposition and all the transactions are properly recorded and reported. The company also has a system of management reviews to ensure compliance with the prescribed procedures and authority levels.

**Statutory Auditors and Explanation to Auditor's Remarks:**

M/s. V. Sankar Aiyar & Co, Chartered Accountants, who are Statutory Auditor of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company as required under the provision of section 139 of Companies Act, 2013. The Audit Report does not contain any qualification / adverse remark.

**Cost Audit:**

Audit of Cost Records is not applicable to the Company for year 2019-2020 as per Section 148 and relevant rules issued under the said Section.

## 28th ANNUAL REPORT

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### Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Mr. Mohd. Akram, a Company Secretary in Practice (Mem. ACS No. 22589, C.O.P. No. 9411) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – A and forms an integral part of this Report.

In regards to the qualification mentioned on Secretarial Audit Report, the Company has been in the process of appointing a Company Secretary as the Company is not getting candidates in view of small size of business operations of the Company.

### Particulars of Employees:

The Company does not have any employee whose particulars are required to be given pursuant to Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

### Details of Subsidiary, Joint Venture or Associates:

There is no subsidiary, Joint Venture or Associate Company.

### Disclosures under sexual harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company has in place Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this policy.

There are no cases filed under the above Act and hence no comments required on disposal of the cases under the same.

### Statement Pursuant to Listing Agreements:

The Company's shares are listed with the BSE Ltd. Your Company has paid the annual listing fees up to date.

### Extract of Annual Returns:

The provisions of section 134 of Companies Act, 2013 were amended vide Companies Amendment Act, 2017 and the said amendment was brought in force w.e.f. 31st July 2018. Accordingly, the requirement of attaching the extract of Annual Return, in format MGT -9 with the Directors Report has been dispensed off and the same needs to be posted on the Company's website, if any, and a link is to be given in the Directors Report.

Accordingly extract of Annual Return is placed on the website of the Company.

### Conservation of Energy and Technology Absorption:

As the Company's own factory has not been in operation, no special energy saving measures is required and hence no report on technology absorption is required.

Foreign Exchange Earnings and Outgo:	
Earnings	Rs. 39,91,337/-
Outgo	Rs. NIL

### Corporate Governance:

The paid-up capital of the Company is less than Rs. 10 Crores and the Net-worth of the Company is less than 25 Crores as on the last day of the previous financial year.

Pursuant to regulation 15(2) of SEBI (LODR) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V SHALL NOT apply, in respect of those listed entities whose paid up equity share capital does not exceed rupees ten crore and net worth does not exceed rupees twenty five crore, as on the last day of the previous financial year.

Accordingly your company is exempt from attaching Corporate Governance report.

### Acknowledgements:

Your Directors wish to place on record their appreciation of the wholehearted co-operation received by the Company from the Shareholders, Employees and its Bankers during the year under review.

By the order of the Board  
For **Emmessar Biotech & Nutrition Limited**

Place: Mumbai  
Date: 30.06.2020

MSR Ayyangar  
Managing Director

## Management Discussions and Analysis

Along with digital marketing infrastructure creation, the Company have decided to partner with well-established health care marketing-companies. The exploration is on-going and hopefully the company may find a reliable marketing partner in course of time.

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members of  
**Emmessar Biotech & Nutrition Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Emmessar Biotech & Nutrition Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Emmessar Biotech & Nutrition Limited'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2020, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made there under;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3 The Depositories Act, 1996 and the Regulations and by-laws framed there under;
- 4 The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company during the financial year under report;
- 5 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;

- 6 Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
  - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. 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;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I 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, the Company has complied with the following laws applicable specifically to the Company:

- i Food Safety And Standard Act, 2006.
- ii Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954.
- iii Drugs and Cosmetics Act, 1940.
- iv Narcotic Drugs and Psychotropic Substances Act, 1985.
- v The Patents Act, 1970.
- vi The Trademarks Act, 1999

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

- 1 Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules,

Regulations, Guidelines, Standards etc. mentioned above except the following.

***The Company has failed to appoint Company Secretary, Key Managerial Personnel within the definition of Section 2(51)***

## 28th ANNUAL REPORT

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*of the Companies Act, 2013, thus violating Section 203 of the Companies Act, 2013 which requires the Company to have Company Secretary as Whole Time Key Managerial Personnel.*

**I 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 changes in the composition of the Board of Directors that took place during the period under review were carried out 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I 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.

MOHD AKRAM  
PRACTISING COMPANY SECRETARY  
**UDIN: A022589B000531218**

ACS NO 22589  
C P NO 9411

Place: Mumbai  
Date: 29-07-2020

**Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.**

### ANNEXURE - I

To,  
The Members of  
Emmessar Biotech & Nutrition Limited

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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, I 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. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

MOHD AKRAM  
PRACTISING COMPANY SECRETARY  
**UDIN: A022589B000531218**

ACS NO 22589  
C P NO 9411

Place: Mumbai  
Date: 29-07-2020

## INDEPENDENT AUDITOR'S REPORT

To the Members of Emmessar Biotech & Nutrition Limited

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

#### Opinion

We have audited the standalone financial statements of Emmessar Biotech & Nutrition Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the statement of Profit and Loss, 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 financial statement").

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

#### Basis for Opinion

We conducted our audit of financial statements 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. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
<p><b>Recognition of deferred tax Assets</b></p> <p>The company has recognised deferred tax asset mainly on account of unabsorbed depreciation</p>	<p>Our audit procedures included among others examining the future projections which are based on the judgement of the management taking into account the following:</p>
<p>under and tax credit available for set off (Minimum Alternate Tax) under the Income Tax Act. Under Ind AS 22 - Income Taxes, deferred tax assets shall be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax allowance and tax credit can be utilised. This requires significant management judgement and estimation. As a result, the recognition of the deferred tax asset is a significant item of our audit.</p>	<p>a. Unabsorbed depreciation which forms major portion of the deferred tax asset can be carried forward and set off against taxable profits for unlimited number of years under the Income Tax Act and</p> <p>b. Profitability projections based on current orders show sufficient profit for set off in future.</p> <p>Accordingly, we have found the future projections made by management for the purpose of recognition of deferred tax asset in the financial statements to be appropriate.</p>
<p>Company has not appointed the qualified company secretary</p> <p>The company has not appointed qualified company secretary as compliance officer.</p> <p>As per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018, the Company is liable to pay the fine of Rs. 1000 per day for Non-compliance with requirement to appoint a qualified company secretary as the compliance officer for the period from 1<sup>st</sup> October 2018 to 31<sup>st</sup> March 2020.</p>	<p>The management has informed that the company has taken and is continuing to take steps for appointment of company secretary. The company has given advertisement for the post of Company secretary but unable to get the appropriate candidate for the said post and we found that the Company has provided for penalty levied by BSE till March 2020 in the books.</p>



## 28th ANNUAL REPORT

<b>Fire Incident</b> During the year fire occurred at Vendor place where the goods sent for job work on 11.02.2020 resulting in loss on account of Finished goods and packing material.	As informed by the management, The company has submitted insurance claim for the loss of finished goods and packing material and loss on account of fire accounted in the books. Accordingly on the basis of information and management note on fire accident we found that Company has accounted for loss due to fire in the financial statement.
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### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the 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 financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors are 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, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the 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 scepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 of the financial statements.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in

agreement with the books of account maintained for the purpose or preparation of the financial statements.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amount which were required to be transferred to the Investor Education and protection fund by the company.

For **V. Sankar Aiyar & Co.**,  
Chartered Accountants  
(FRN 109208W)

Place: Mumbai  
Date: June 30, 2020

**V. Mohan**  
Partner  
M.No.17748

## 28th ANNUAL REPORT

### ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMESSAR BIOTECH & NUTRITION LIMITED ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and in our opinion, we report that:

- I. a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a policy of physically verifying its fixed assets in a phased manner to cover all the assets of the Company in a block of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its business.
- c. The title deeds of the immovable properties are held in the name of the company.
- II. a. The inventory has been physically verified by the Management at reasonable intervals during the year.
- b. The procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on such physical verification.
- c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- III. The Company has not granted any loans secured or unsecured during the period to the parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- IV. The Company has not granted any loans, investments, or any guarantees or securities accordingly provision of Section 185 and 186 does not apply.
- V. The Company has not accepted any deposits from public. Accordingly, this clause is not applicable.
- VI. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act.
- VII.a. The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. No undisputed amount in respect of the aforesaid statutory dues were in arrears, as at 31st March 2020, for a period of more than six months from the date they become payable.
- b. There are no dues of Income Tax, Sales tax, Goods and Service Tax, Customs duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- VIII. The Company has not defaulted in repayment of dues to any financial institutions or banks.
- IX. The Company did not raise any money by way of initial public offer (including debts instruments) or further public offer and terms loans during the year. Accordingly, this clause is not applicable.
- X. 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. The company has paid / provided for managerial remuneration in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V of the Act.
- XII. The Company is not a Nidhi Company. Accordingly, this clause is not applicable.
- XIII. All Transaction with related parties are in compliance with Section 177 and section 188 of the Companies Act, 2013 where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting standards.
- XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, this clause is not applicable.
- XV. The Company has not entered into any non - cash transactions with directors or persons connected with them.
- XVI. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For V. Sankar Aiyar & Co**  
Chartered Accountants  
Firm Reg. No: 109208W

**V Mohan**  
Partner

Place: Mumbai  
Date: June 30, 2020

**Membership No. 17748**

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMESSAR BIOTECH & NUTRITION LIMITED ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

**For V. Sankar Aiyar & Co**  
Chartered Accountants  
Firm Reg. No: 109208W

**V Mohan**  
Partner

Place: Mumbai  
Date: June 30, 2020

**Membership No. 17748**

## 28th ANNUAL REPORT

### BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Note No.	(Value in ₹)	
		As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment	2.01	12,791,379	13,429,875
Investment Property	2.02	6,349,985	6,443,366
<b>Financial Assets</b>			
Other Financial Assets	2.03	127,970	150,160
Deferred tax assets (net)	2.04	9,378,520	7,602,585
		<b>28,647,854</b>	<b>27,625,986</b>
<b>Current assets</b>			
Inventories	2.06	11,490,720	7,281,251
<b>Financial Assets</b>			
Investments	2.07	72,631	69,319
Trade receivables	2.08	265,116	382,499
Cash and cash equivalents	2.09	503,877	777,339
Bank balances other than Cash & Cash Equivalents	2.10	18,307,773	6,367,354
Loans	2.11	19,000	51,000
Income Tax Assets ( Net )	2.05	546,581	1,288,780
Other Financial assets	2.12	545,699	156,046
Other current assets	2.13	914,903	7,646,634
		<b>32,666,300</b>	<b>24,020,222</b>
<b>TOTAL ASSETS</b>		<b>61,314,154</b>	<b>51,646,207</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Equity Share capital	2.14	49,961,000	49,961,000
Other Equity	2.15	-7,336,784	-14,879,271
		<b>42,624,216</b>	<b>35,081,729</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	2.16	6,142,308	6,142,308
Provisions	2.17	1,574,201	1,428,497
Other non current liabilities			
		<b>7,716,509</b>	<b>7,570,805</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	2.18	-	717,366
Trade Payable	2.19	8,038,191	5,752,132
Other financial liabilities	2.20	2,015,919	1,717,765
Other current liabilities	2.21	163,517	124,113
Provisions	2.22	755,802	682,297
		<b>10,973,429</b>	<b>8,993,673</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>61,314,154</b>	<b>51,646,207</b>

Significant Accounting Policies & Notes on Accounts 1&2

As Per Our Report of Even Date attached

For and on behalf of the Board

For V. Sankar Aiyar & Co  
Chartered Accountants  
Firm Regn No. 109208W

Ashok M. Kadakia  
Chairman  
DIN:00317237

MSR Ayyangar  
Managing Director  
DIN: 00090266

V. Mohan  
Partner  
M.No. 17748

Vijay K. Agrawal  
Director  
DIN: 01710632

Place : Mumbai  
Date: 30<sup>th</sup> June 2020

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

(Value in ₹)

Particulars	Note No.	For the year ended ended 31 March 2020	For the year ended ended March 2019
<b>INCOME</b>			
Revenue From Operations	2.23	33,959,247	6,295,044
Other income	2.24	14,650,762	12,999,302
<b>TOTAL REVENUE</b>		<b><u>48,610,009</u></b>	<b><u>19,294,346</u></b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.25	20,976,491	3,660,068
Purchase of Stock in Trade	2.26	1,421,871	1,794,581
Change in Inventories of Finished Goods, Work in Progress, Stock in Trade,	2.27	(6,990,452)	(4,213,571)
Employee Benefit Expenses	2.28	5,753,505	5,755,204
Depreciation and amortisation expense	2.01	577,750	786,369
Other expenses	2.29	16,854,933	5,706,590
<b>TOTAL EXPENSES</b>		<b><u>38,594,098</u></b>	<b><u>13,489,241</u></b>
PROFIT / (LOSS) BEFORE TAX & EXCEPTIONAL ITEMS		10,015,911	5,805,105
Exceptional Items	2.30	2,639,587	2,867,059
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b><u>7,376,324</u></b>	<b><u>2,938,046</u></b>
<b>Tax expense:</b>			
Provision for Current tax (MAT)		-1,600,000	-600,000
Provision for Deferred tax Asset / ( Liability )		204,646	191,314
Excess / ( Short ) provision of earlier year		-9,772	-
MAT Credit available		1,565,802	2,800,000
<b>PROFIT / (LOSS) AFTER TAX</b>		<b><u>7,537,000</u></b>	<b><u>5,329,360</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. (i) Items that will not be reclassified to profit or loss</b>	2.31	<b>-7,602</b>	<b>132,805</b>
(ii) Tax on items that will not be reclassified to profit or loss		2,115	-36,946
<b>B. (i) Items that will be reclassified to profit or loss</b>		<b>-</b>	<b>-</b>
(ii) Tax on items that will be reclassified to profit or loss		<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>-5,487</u></b>	<b><u>95,859</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>7,542,487</u></b>	<b><u>5,233,501</u></b>
<b>EARNING PER SHARE</b>			
<b>(Equity Shares of Par Value Rs 10/- each fully paid-up)</b>			
Basic		<b>1.51</b>	<b>1.05</b>
Dilute		<b>1.51</b>	<b>1.05</b>

As Per Our Report of Even Date attached

For and on behalf of the Board

For V. Sankar Aiyar & Co  
Chartered Accountants  
Firm Regn No. 109208W

Ashok M. Kadakia  
Chairman  
DIN:00317237

MSR Ayyangar  
Managing Director  
DIN: 00090266

V. Mohan  
Partner  
M.No. 17748

Vijay K. Agrawal  
Director  
DIN: 01710632

Place : Mumbai  
Date: 30<sup>th</sup> June 2020

## 28th ANNUAL REPORT

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

	2019-2020 (in ₹)	2018-2019 (in ₹)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	10,015,911	5,805,105
<b>Add/(-)Less: Depreciation :</b>	<b>577,750</b>	<b>786,369</b>
Interest / Dividend	(1,052,908)	(355,105)
Other comprehensive income	7,602	(132,805)
Exceptional Items	(2,639,587)	(975,020)
<b>Operating Profit / (Loss) before working Capital changes</b>	<b>6,908,768</b>	<b>5,128,544</b>
<b>Adjustment for (Increase) / Decrease in operating Assets</b>		
Inventories	(4,209,469)	(6,411,809)
Trade Receivables	117,383	(48,203)
Non current loans and Income Tax Assets	(1,753,745)	816,746
Other Financial Assets	(389,653)	(145,718)
Current Assets - Loans and other assets	7,505,930	(2,122,031)
<b>Adjustment for Increase / (Decrease) in operating Liabilities</b>		
Non current provisions	145,704	(394,598)
Trade Payables	2,286,059	5,678,856
Borrowings and Other Financial Liabilities	(419,212)	1,209,383
Other Current Liabilities	39,404	51,161
Current Provisions	73,505	121,919
<b>Cash generated before tax payment</b>	<b>10,304,674</b>	<b>3,884,250</b>
Less: Income tax paid	0	0
<b>Cash generated from operations</b>	<b>10,304,674</b>	<b>3,884,250</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,200)	(7,800)
Investments in Mutual Funds	(3,312)	(3,627)
Interest / Dividend Received	1,370,795	355,105
Investments in Fixed Deposits (maturing within 12 months)	(11,940,419)	(4,087,517)
<b>Net Cash inflow/(out flow) in Investing activities</b>	<b>(10,578,136)</b>	<b>(3,743,839)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash used in financing activities		
Net increase in cash and cash equivalents	(273,462)	140,411
Cash and cash equivalents as at the beginning of the year	777,339	636,928
<b>Cash and cash equivalents as at the end of the year</b>	<b>503,877</b>	<b>777,339</b>

As Per Our Report of Even Date attached

For and on behalf of the Board

For V. Sankar Aiyar & Co  
Chartered Accountants  
Firm Regn No. 109208W

Ashok M. Kadakia  
Chairman  
DIN:00317237

MSR Ayyangar  
Managing Director  
DIN: 00090266

V. Mohan  
Partner  
M.No. 17748

Vijay K. Agrawal  
Director  
DIN: 01710632

Place : Mumbai  
Date: 30<sup>th</sup> June 2020



**NOTE FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

**1) Significant Accounting Policies followed by the Company are as follows:-**

**i) Basis of Preparation of Financial Statements:**

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder. The Financial Statements have been prepared under historical cost convention basis except for derivative financial instruments, certain financial assets and financial liabilities which have been measured at fair value.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 30<sup>th</sup> June 2020.

**ii) Use of Judgement, Assumptions and Estimates :**

The preparation of the Company's financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements relate to the following areas:

- Financial instruments;
- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies.

**iii) Property, plant & equipment**

a) The cost of an item of property, plant and equipment is recognized as an asset

only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

- b) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.
- d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- e) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- f) Spare parts which meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit & Loss on issue/consumption.
- g) When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly. All other repair and maintenance cost are recognised in the Statement of Profit and Loss as and when incurred.
- h) Direct expenses incurred during construction period on capital projects are capitalised.

**iv) Depreciation**

Depreciation on property, plant and equipment is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of up to 5%). The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

## 28th ANNUAL REPORT

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The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the period in which the estimates are revised and in any future periods affected.

The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately.

The spare parts are depreciated over the estimated useful life based on initial technical assessment.

### v) **Accounting for Leases**

The Company has implemented the Ind AS 116 "Leases" as notified by Ministry of Corporate Affairs on 30<sup>th</sup> March 2019 through the Companies ( Indian Accounting Standard ) Amendment Rule, 2019.

A Contractor or parts of Contracts that conveys the right to control the use of an identified assets for a period of time in exchange for the payments to be made to the owners ( lessors ) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed.

Where the company is a lessee in a lease arrangement at inception, the lease contracts are recognized as right of use assets and lease liabilities are measured at present value of lease payments at initial recognition except for short term leases and leases of low value. The right of use assets are depreciated on the straight line basis over a lease term. Lease payments are discounted using the interest rate implicit in the lease. If the rate is not readily available, the incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Payments associated with short term leases and leases of low value assets are recognized as an expenses in profit & loss Accounts.

Where the company is the lessor in the lease arrangement at inception, the lease arrangement will be classified as a finance lease or an operating lease. Classification is based on the extent to which the risks and rewards incidental to ownership of the underlying assets lie with the lessor or the lessee. Under operating lease, where the Company is the lessor, the assets are included in the balance sheet and, where applicable, are depreciated in accordance with the company's depreciation policies as set out in Note 1 (iii) Property, plants and equipment. Revenue arising from assets leased out under operating leases is recognized on overtime basis.

### vi) **Investment Property**

Industrial land taken on lease from Maharashtra Industrial Development Corporation (MIDC) is not permitted to be alienated in any manner whatsoever, by the lessee. The lessor has given the land on sub lease to a third party and the same is treated Investment - Property and as operating lease.

Investment property is amortised on straight line basis over the period of 95 years.

Investment properties are derecognised when either they have been surrendered to the lessor or when the investment property is permanently withdrawn from use and no future economic benefit is expected.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

### vii) **Inventories:**

Raw material, Finished goods and Stock-in-Trade are valued at lower of costs or net realizable value. Cost of inventories comprises all cost of purchase, conversions and other costs incurred in bringing the inventories to their present location and condition. Finished goods are valued at exclusive of GST payable thereon. Provisions for obsolescence / expired goods are made, wherever necessary. Cost is determined by using FIFO method.

### viii) **Cash and Cash Equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

### ix) **Revenue Recognition:**

Sale of goods: Revenue from the sale of goods is recognised when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

Revenue from the sale of goods and services are measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

### x) **Impairment of Assets:**

The Company assesses at each Balance Sheet date where there is any indication that any assets may be impaired and if such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and a provision is made for such impairment loss in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the

- asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.
- xi) Foreign Currency Transactions and Translations**
- Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.
- Translation of all foreign currency denominated monetary Assets & Liabilities as at the balance sheet dates are translated at year end exchange rates. Exchange difference arising on restatement or settlement is charged to the Statement of Profit and Loss.
- xii) Investments:**
- Long Term Investments are stated at cost of acquisition and related expenses. Provision is made to recognize a diminution, other than temporary, in the value of investments. Current Investments are carried individually at lower of cost and fair value.
- xiii) Employee Benefit:**
- A. Short Term Employee Benefits**
- All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund etc. recognized as actual amounts due in period in which the employee renders the related services.
- B. Post –employment benefits**
- a) Defined Contribution plan**
- Payment made to defined contribution plans such as Provident fund is charged as expenses as they fall due.
- b) Defined Benefit Plan**
- The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gain and losses are recognized immediately in the Statement of Profit & Loss.
- xiv) Segment Reporting**
- The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization 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 management.
- 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.
- 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”.
- xv) Taxation:**
- Income Tax expense comprises current tax (i.e. Amount of Income tax for the period determined in accordance with the Income Tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonable / virtual certain (as the case may be) to be realized.
- xvi) Earnings per share:**
- Basic earnings per share are computed by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- xvii) Provisions, Contingent Liabilities and Contingent Assets**
- Provision is recognized only when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in the respect of which a reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

## 28th ANNUAL REPORT

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### xviii) Fair Value measurement

- a) The Company measures financial instruments i.e. derivative contracts at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.
- c) While measuring the fair value of an asset or liability, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices)

Level 3: inputs that are not based on observable market data (unobservable inputs)

### xix) Financial Instruments

#### i. Financial Assets other than derivatives

All financial assets are recognised initially at fair values including transaction costs that are attributable to the acquisition of the financial asset.

A financial asset is measured (subsequent measurement) at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is net of any write down for impairment loss (if any) using the effective interest rate (EIR) method taking into

account any discount or premium and fees or costs that are an integral part of the EIR.

A financial asset is derecognised either partly or fully to the extent the rights to receive cash flows from the asset have expired and / or the control on the asset has been transferred to a third party. On de-recognition, any gains or losses are recognised in the Statement of Profit & Loss.

#### ii. Financial Liabilities other than derivatives

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

#### iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### xx) Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current if they are expected to be realised / settled within twelve months after the reporting period. All other assets and liabilities are considered as non-current.

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020**
**2.00 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020**
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**2.01 Property, Plant & Equipment**

A. Tangible Assets	GROSS BLOCK (COST)				DEPRECIATION				NETBLOCK	
	"Balance as at 1 April, 2019"	Additions	Disposals*	As at 31.3.2020	Balance as at 1.4.2019	For the year	Deductions/ adjustments*	Up to 31.3.2020	As at 31.3.2020	As at 31.3.2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Factory Buildings	15,402,320	-	-	15,402,320	2,284,931	446,025	-	2,730,955	12,671,365	13,117,389
(b) Residential Buildings	332,500	-	332,500	-	169,244	3,928	173,172	-0	0	163,256
(c) Plant and Equipments	7,800	-	-	7,800	34	527	-	561	7,239	7,766
(d) Furniture and Fixtures	419,815	5,200	-	425,015	340,974	8,479	-	349,453	75,562	78,841
(e) Office equipment	1,273,405	-	-	1,273,405	1,210,782	25,410	-	1,236,192	37,213	62,623
<b>Total</b>	<b>17,435,840</b>	<b>5,200</b>	<b>332,500</b>	<b>17,108,540</b>	<b>4,005,965</b>	<b>484,368</b>	<b>173,172</b>	<b>4,317,161</b>	<b>12,791,379</b>	<b>13,429,875</b>
Previous year	19,965,071	7,800	2,537,031	17,435,840	3,957,970	692,987	644,992	4,005,965	13,429,875	16,007,101

\* ASSET LOST DUE TO FIRE IN THE FACTORY AND THERE IS NO SALVAGE VALUE

**Particulars**
**AS AT 31-03-2020**
**AS AT 31-03-2019**
**2.02 INVESTMENT PROPERTY**
**Investment in Property**
**Cost:**

Opening Balance

8,871,300

8,871,300

Additions During the Year

-

-

Disposals / Transfers During the Year

-

-

**Gross Investment**
8,871,300
8,871,300
**Depreciation on Investment Property**

Opening Balance

2,427,934

2,334,552

Additions During the Year

93,381.00

93,382.00

Disposals / Transfers During the Year

-

0

Closing Balance

2,521,315
2,427,934
**Net Investment**
6,349,985
6,443,366
**Fair Value**
177,386,000
161,260,000

THE COMPANY'S INVESTMENT PROPERTY CONSIST OF INDUSTRIAL LAND IN TALOJA AND FAIR VALUATION IS BASED ON CURRENT VALUE.

**2.03 OTHER FINANCIAL ASSETS**

Security Deposits

127,970
150,160
127,970
150,160

## 28th ANNUAL REPORT

Particulars	AS AT 31-03-2020	AS AT 31-03-2019
<b>2.04 DEFERRED TAX ASSET</b>		
<b>Assets</b>		
Depreciation	(115,890)	119,089
Unabsorbed Depreciation in Income Tax	4,480,401	4,096,273
Employee benefit (Gratuity)	648,207	587,223
Un-utilized MAT Credit	4,365,802	2,800,000
<b>Total</b>	<b>9,378,520</b>	<b>7,602,585</b>
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.		
<b>2.05 INCOME TAX ASSETS (NET)</b>		
Tax Deducted at Source	2,746,581	3,188,780
Advance Tax paid	-	900,000
Less: Provision for Income Tax (MAT)	(2,200,000)	(2,800,000)
<b>Total</b>	<b>546,581</b>	<b>1,288,780</b>
<b>2.06 INVENTORIES</b>		
(At Lower of Cost or Net Realisable Value)		
Raw Materials	2,357,097	2,556,705
Finished Goods	9,133,623	4,724,546
<b>Total</b>	<b>11,490,720</b>	<b>7,281,251</b>
<b>2.07 CURRENT INVESTMENTS</b>		
Unquoted ( Carried at Fair value through Profit & Loss ) In Mutual Fund		
43.361 Units (P.Y. 41.38) Dividend option SBI Magnum Insta Cash Fund (Market Value Rs. 72631, PY Rs. 69319)	72,631	69,319
<b>Total</b>	<b>72,631</b>	<b>69,319</b>
Net Asset Value	72,631	69,319
<b>2.08 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Considered Good	265,116	382,499
Considered Doubtful	-	-
	265,116	382,499
Less: Allowance for credit loss	-	-
<b>Total</b>	<b>265,116</b>	<b>382,499</b>



<b>Particulars</b>	<b>AS AT 31-03-2020</b>	<b>AS AT 31-03-2019</b>
<b>2.09 CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents		
In Current Account	487,780	23,051
Cash on Hand	16,097	754,288
<b>Total</b>	<u>503,877</u>	<u>777,339</u>
<b>2.10 BANK BALANCE OTHER THAN CASH &amp; CASH EQUIVALENTS</b>		
<b>Bank Balance other than cash &amp; cash equivalents</b>		
In Fixed Deposit Account (maturing within 12 months)	18,307,773	6,367,354
<b>Total</b>	<u>18,307,773</u>	<u>6,367,354</u>
<b>2.11 LOANS</b>		
Loans receivables considered good - unsecured		
Other Loans		
Loan to employees	19,000	51,000
<b>Total</b>	<u>19,000</u>	<u>51,000</u>
<b>2.12 OTHER FINANCIAL ASSETS</b>		
Accrued Interest but not due	545,699	156,046
<b>Total</b>	<u>545,699</u>	<u>156,046</u>
<b>2.13 OTHER CURRENT ASSETS</b>		
Balances with Government Authorities	-	-
GST Credit	447,865	844,153
Others		
Prepaid Expenses	94,813	75,480
Advance to Suppliers	372,225	6,727,001
<b>Total</b>	<u>914,903</u>	<u>7,646,634</u>
<b>2.14 SHARE CAPITAL</b>		
Authorised :		
Equity shares of Rs 10/- Par Value		
54,00,000( P.Y. 54,00,000) Equity Shares	54,000,000	54,000,000
	<b>54,000,000</b>	<b>54,000,000</b>
Issued, Subscribed and Paid up :		
Equity shares of Rs 10/- Par Value		
49,96,100 (P.Y. 49,96,100) Equity Shares fully paid up	49,961,000	49,961,000
* includes 498000 Equity Shares of Rs. 10/- each allotted as Bonus shares by capitalising Revaluation Reserve in the year 1994		
	<u>49,961,000</u>	<u>49,961,000</u>
a) The Company has only one class of shares referred to as Equity Shares having a par value of Rs 10/- each. Each holder of Equity Share is entitled to one vote per share.		
b) The Company has not declared any Dividend.		
c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		

## 28th ANNUAL REPORT

### d) List of Shareholders holding more than 5% of the Total Number of Shares issued by the Company

Name of the Shareholder	As At 31 <sup>st</sup> March 2020		As At 31 <sup>st</sup> March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M.S.Raghavan	267292	5.35	267292	5.35
Emmessar Technologies Ltd	1014980	20.32	1014980	20.32
Manar Leasing & Investment Pvt Ltd	528000	10.57	528000	10.57
Amu Investment & Finance Pvt Ltd	260000	5.20	260000	5.20
Heena M Shah	268100	5.37	268100	5.37

### e) Share Reconciliation

The reconciliation of the number of shares outstanding and the amount of Share Capital as at March 31, 2020 and March 31, 2019 is set out below:

Particular	As At 31 <sup>st</sup> March 2020	As At 31 <sup>st</sup> March 2019
	<b>No. of Shares</b>	
Balance at the beginning of the year	4996100	4996100
Changes in equity capital during the year	0	0
Balance at the end of the Year	4996100	4996100

### 2.15 OTHER EQUITY

#### Retained Earnings

As Per Last Account	-14,520,728	(19,850,087)
Add: Opening Balance Adjustment due to Ind AS	0	0
Profit For the Year	7,537,000	5,329,359
<b>Closing Balance</b>	<b>(6,983,728)</b>	<b>(14,520,728)</b>

#### Other Comprehensive Income

As Per Last Account	-358,544	(262,685)
Additions During the Year	5,487	(95,859)
<b>Closing Balance</b>	<b>-353,057</b>	<b>(358,544)</b>
<b>Total</b>	<b>(7,336,784)</b>	<b>(14,879,271)</b>

### 2.16 OTHER FINANCIAL LIABILITIES

Security Deposit (Factory land)	6,142,308	6,142,308
<b>Total</b>	<b>6,142,308</b>	<b>6,142,308</b>

### 2.17 NON CURRENT PROVISIONS

#### Provision for Employee Benefits

Grauity (Refer Note 2.34)	1,574,201	1,428,497
<b>Total</b>	<b>1,574,201</b>	<b>1,428,497</b>

### 2.18 BORROWINGS

Bank Overdraft	-	717,366
<b>Total</b>	<b>-</b>	<b>717,366</b>

Particular	As At 31 <sup>st</sup> March 2020	As At 31 <sup>st</sup> March 2019
<b>2.19 TRADE PAYABLES</b>		
Micro, Small & Medium Enterprises (Refer Note 2.45)	0	0
Other Trade Payables	8,038,191	5,752,132
<b>Total</b>	<u>8,038,191</u>	<u>5,752,132</u>
<b>2.20 OTHER FINANCIAL LIABILITIES</b>		
Accrued Payroll	415,485	353,092
Accrued Expenses	1,600,434	1,364,673
<b>Total</b>	<u>2,015,919</u>	<u>1,717,765</u>
<b>2.21 OTHER CURRENT LIABILITIES</b>		
<b>Other Liabilities</b>		
Payable to Statutory Authorities	88,317	112,006
Advance from customers	75,200	12,107
<b>Total</b>	<u>163,517</u>	<u>124,113</u>
<b>2.22 CURRENT PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Gratuity (Refer Note 2.34)	755,802	682,297
<b>Total</b>	<u>755,802</u>	<u>682,297</u>
<b>Particulars</b>	<b>Year Ended 31.3.2020 (in ₹)</b>	<b>Year Ended 31.3.2019 (in ₹)</b>
<b>2.23 REVENUE FROM OPERATIONS</b>		
Manufactured Goods	29,898,646	2,748,229
Traded Goods	4,060,601	3,546,815
	<u>33,959,247</u>	<u>6,295,044</u>
<b>Details of the Products Sold</b>		
<b>Manufactured Goods</b>		
Healthcare Products	5,348,247	1,593,229
Fine Chemicals	28,611,000	1,155,000
	<u>33,959,247</u>	<u>2,748,229</u>
<b>Traded Goods</b>		
Healthcare Products	4,060,601	3,546,815
	<u>4,060,601</u>	<u>3,546,815</u>
<b>2.24 OTHER INCOME</b>		
Interest Income	1,049,596	351,478
Dividend Income	3,312	3,627
Rent Income on leasehold land	13,513,080	12,591,732
MEIS License Income	47,966	41,914
Duty Drawback on exports	17,964	10,551
Profit on exchange rate fluctuation	18,844	-
	<u>14,650,762</u>	<u>12,999,302</u>

## 28th ANNUAL REPORT

Particulars	Year Ended 31.3.2020 (in ₹)	Year Ended 31.3.2019 (in ₹)
<b>2.25 COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials, Process Chemicals &amp; Packing Materials Consumed</b>		
Opening Stock	2,556,705	358,467
Add: Purchases	20,835,095	5,858,306
Less: Loss of packing material due to fire accident on 11.02.2020 at Vendor's place	(58,212)	-
	<u>23,333,588</u>	<u>6,216,773</u>
Less: Closing Stock	2,357,097	2,556,705
<b>Cost of Material Consumed</b>	<u>20,976,491</u>	<u>3,660,068</u>
<b>Details of Raw Materials Consumed:</b>		
Solvents	-	-
Oxidising Substances	-	-
Inorganic Salts	20,094,809	3,048,862
Others	881,682	611,206
	<u>20,976,491</u>	<u>3,660,068</u>
<b>2.26 PURCHASE OF TRADED GOODS</b>		
Healthcare Products	1,421,871	1,794,581
	<u>1,421,871</u>	<u>1,794,581</u>
<b>2.27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
<b>Inventories at the end of the year</b>		
Finished Goods \ Stock in Trade	9,133,623	4,724,546
<b>Inventories at the beginning of the year</b>		
Finished Goods \ Stock in Trade	4,724,546	510,975
Less: Loss due to fire accident on 11.02.2020	(2,581,375)	-
	<u>(6,990,452)</u>	<u>(4,213,571)</u>
<b>Detail of Inventories</b>		
Finished Goods \ Stock in Trade		
Health Care Products	165,848	116,612
Fine Chemicals	8,967,775	4,607,934
	<u>9,133,623</u>	<u>4,724,546</u>
<b>Details of stock lost due to fire at Vendor's place</b>		
Packing material	58,212	-
Finished goods (Fine chemicals)	2,581,375	-
	<u>2,639,587</u>	<u>-</u>
<b>2.28 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries,Wages & Bonus etc	5,530,920	5,545,389
Contributions to Provident & Other funds	170,632	174,691
Staff Welfare Expenses	51,953	35,124
	<u>5,753,505</u>	<u>5,755,204</u>

Particulars	Year Ended 31.3.2020 (in ₹)	Year Ended 31.3.2019 (in ₹)
<b>2.29 OTHER EXPENSES</b>		
Processing Charges	13,533,652	2,100,414
Power & Fuel	80,127	156,334
Freight, Clearing & Forwarding Charges	586,585	282,111
Advertisement	133,056	142,368
Auditor's Remuneration (Refer Note 2.32)	50,000	60,000
Bank Charges	24,211	15,341
Office Rent	100,000	100,000
Rates & Taxes	16,086	470,004
Insurance	371,200	94,271
Repairs and Maintenance- Others	45,617	170,096
Marketing & Sales Promotion Expenses	-	210,632
Printing & Stationery	74,840	88,114
Travelling & Conveyance	149,445	77,060
Listing fees with Stock exchange	300,000	250,000
Communication Expenses	187,074	276,150
Depository Connectivity Charges	13,000	19,000
Professional Charges	213,000	333,250
Registrar & Share Transfer Agents Fees	210,928	188,886
Water charges	80,384	12,071
Internet & Website Expenses	23,136	26,043
Sundry expenses	21,096	16,443
Factory Expenses	34,910	246,255
Subscription & Membership fee	42,469	34,407
Sitting Fees	40,000	30,000
Miscellaneous Expenses	<b>92,237</b>	92,580
Penalty charges	<b>431,880</b>	214,760
	<b>16,854,933</b>	<b>5,706,590</b>
<b>2.30 EXCEPTIONAL ITEMS</b>		
Loss due to Fire		
Finished Goods	<b>2,581,375</b>	-
Packing goods	<b>58,212</b>	-
Workmen compensation due to death	-	975,020
Plant & Machinery	-	793,697
Furniture & Fixtures	-	1,098,342
	<b>2,639,587</b>	<b>2,867,059</b>
<b>2.31 OTHER COMPREHENSIVE INCOME</b>		
Items that will be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	<b>5,487</b>	-95,859
Income Tax on items that will be reclassified to profit or loss	-	-
Remeasurement of Defined Benefit Plans	-	-
	<b>5,487</b>	<b>-95,859</b>

DURING THE YEAR THE COMPANY HAD A FIRE ACCIDENT AT THE VENDOR'S PLACE ON 11.02.2020. THE COMPANY HAD PUT UP A CLAIM WITH THE INSURANCE COMPANY AND THE CLAIM IS UNDER PROCESS.

## 28th ANNUAL REPORT

Particulars	Year Ended 31.3.2020 (in ₹)	Year Ended 31.3.2019 (in ₹)
<b>2.32 PAYMENT TO AUDITORS</b>		
Audit Fees	25,000.00	25,000.00
Tax Audit Fees	13,000.00	13,000.00
Certifications fees	12,000.00	22,000.00
	50,000.00	60,000.00
<b>2.33 COMMITMENTS &amp; CONTINGENT LIABILITIES</b>		
a) Estimated Amount of Contract remains to be executed and not provided for in the accounts	NIL	NIL
b) Claims against the Company not acknowledged as Debts	NIL	NIL
<b>2.35 DISCLOSURE IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARDS AS NOTIFIED BY THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006.</b>		
<b>Accounting Standard (Ind AS-19) on "Employee Benefits:</b>		
<b>i. Defined Contribution Plans:</b>		
The Company has recognised the following amounts in the Profits and Loss Account for the year:		
(i) Contribution to Employees' Provident Fund	170,632	174,691
<b>Total:</b>	170,632	174,691
<b>ii. Defined Benefit Plans:</b>		
(i) Gratuity is payable to all the members at the rate of 15 days salary for each year of service.		
<b>A. Changes in the Present Value of Obligation in respect of Gratuity Benefits</b>		
a) Obligation at the year beginning	2,110,794	1,783,473
b) Interest Cost	158,310	137,327
c) Past Service Cost	-	-
d) Current Service Cost	68,501	57,189
e) Past Service Cost - Vested Benefit	-	-
f) Current Cost / (Credit)	-	-
g) Settlement Cost / (Credit)	-	-
h) Benefits Paid	-	-
i) Actuarial (Gain) / Loss	(7,602)	132,805
j) Obligation at the year end	2,330,003	2,110,794
<b>B. Expenses recognised in the Profit and Loss Statement in respect of Gratuity Benefits</b>		
a) Current Service Cost	68,501	57,189
b) Past Service Cost	-	-
c) Interest Cost	158,310	137,327
d) Past Service Cost - Vested Benefit	-	-
e) Curtailment Cost / (Credit)	-	-
f) Settlement Cost / (Credit)	-	-
g) Net Actuarial (Gain) / Loss	-	-
h) Employees' Contribution	(7,602)	132,805
i) Total Expenses recognised in Profit and Loss Statement	219,209	327,321



Particulars	Year Ended 31.3.2020 (in ₹)	Year Ended 31.3.2019 (in ₹)
-------------	--------------------------------	--------------------------------

**C. Following are the Principal Actuarial Assumption used as at the Balance Sheet date:**

**Particulars**

a) Discount Rate	<b>6.10%</b>	7.50%
b) Salary Escalation rate	<b>10.00%</b>	10.00%
c) Turnover Rate	8.72%	9.49%
d) Mortality Table	2012-14 Ultimate Table	2006-08 Ultimate Table

The estimation of future salary increases considered in Actuarial Valuation takes account of infaltion, seniority promotions, and other relevant factor on long term basis.

**D. Other Long Term Benefits**

The Company's does not have any other Long Term benefits

**2.35 Accounting Standard (Ind AS) "Segment Reporting":**

The Company has identified business segments as its primary segment. Business segments are primarily Healthcare, Fine Chemicals and Rent on Immovable property. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary segments.

**Particular for the year ended March 31, 2020**

<b>Business Segments</b>	<b>Healthcare</b>	<b>Fine chemicals</b>	<b>Rent on Lease land</b>	<b>Total (₹)</b>
Revenue (Net of GST)	5,348,247	28,611,000	13,513,080	47,472,327
Segment Result	3,493,834	-1,115,736	13,513,080	15,891,178
Unallocable expenses (Net)	-	-	-	7,012,949
Operating Income	-	-	-	8,878,229
Other Income (Net)	-	-	-	1,137,682
Profit before taxes	-	-	-	10,015,911
Exceptional Items	-	-	-	2,639,587
Provision for Income Tax (MAT)	-	-	-	1,600,000
Provision for Deferred Tax	-	-	-	(204,646)
Excess /(-) short provision of earlier year	-	-	-	(9,772)
Other comprehensive Income	-	-	-	-5,487
MAT Credit available	-	-	-	-1,565,802
Net profit for the year	-	-	-	7,542,487
Segment Assets	822,721	10,933,115	6,349,985	18,105,821
Unallocable Assets (less of Deferred tax asset)	-	-	-	33,283,232
Total Assets	-	-	-	51,389,053
Segment liabilities	-	8,038,191	6,142,308	14,180,499
Unallocable liabilities	-	-	-	4,509,439
<b>Total liabilities</b>	-	-	-	<b>18,689,938</b>

## 28th ANNUAL REPORT

### 2.36 Accounting Standard ( Ind As-24) " Related Party Disclosures":

- a) Entities in which the Company has substantial Interest  
Emmessar Technologies Limited
- b) Key Management Personnel and their relatives
  - i) MSR Ayyangar - Managing Director
  - ii) Dr. Anuradha Raghavan - Daughter of MSR Ayyangar
  - iii) Dr. Sarada Raghavan - Daughter of MSR Ayyangar
  - iv) Jeyavel B. Nadar - Chief Financial Officer

#### Details of the transactions with above parties

Financial transactions have been carried out in the ordinary course of business and/ or in discharge of contractual obligations

Transaction During the year	With parties referred to in (a)		With parties referred to in b (i) (ii) (iii)	
	2019-2020	2018-2019	2019-2020	2018-2019
Purchases	198,569	2,788,997	Nil	Nil
Sales	33,867,611	1,994,352	Nil	Nil
Advance Given	Nil	Nil	Nil	Nil
Advance Repaid	Nil	Nil	Nil	Nil
Remuneration & Salary**	Nil	Nil	2,216,500	2,041,000

Note :-

#### \*\*Remuneration

	2019-2020	2018-2019
i) MSR Ayyangar	1,430,000	1,920,000
iv) Jeyavel B. Nadar	786,500	121,000
	2,216,500	2,041,000

2.37 Due to/ from parties are subject to confirmation

2.38 In the opinion of the Board all the current Assets, Loans and Advances deposits are realisable at value stated in ordinary course of business which are atleast equal to the amount at which they are stated in the books unless otherwise stated.

2.39 As no dividend has been declared during the current year as well as previous year, the Company has not remitted any dividend in foreign currency to its non resident shareholders during the current year as well as previous year.

### 2.40 Calculation of Earnings per share as per Ind AS (Ind AS 33)

Particulars	2019-2020	2018-2019
Net Profit for the year (Rs)	7,542,487	(1,178,308)
No of Equity Shares outstanding at the begning of the year	4,996,100	4,996,100
No. of Equity Shares outstanding at the end of the year	4,996,100	4,996,100
Weighted Average Number of Equity Shares	4,996,100	4,996,100
Nominal Value per Share	10	10
<b>Basic and Diluted (EPS)</b>	<b>1.51</b>	<b>(0.24)</b>

### 2.41 Earnings in Foreign Exchange

Export of Goods (FOB Value)	3,991,337	3,029,405
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### 2.42 Expenditure in Foreign Currency

Other Matters	0	0
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**2.43 Details of Consumption of Imported & Indigenous Items**

Particulars	2019-2020		2018-2019	
	Value in ₹	% of Total Consumption	Value in ₹	% of Total Consumption
<b>Raw Material</b>				
Imported	0	0	0	0
Indigenous	20,976,491	100	3,660,068	100
<b>Total</b>	<b>20,976,491</b>	<b>100</b>	<b>3,660,068</b>	<b>100</b>

**2.44 LEASE RENTALS FOR NON-CANCELLABLE OPERATING LEASES (Ind AS-17):**

Lease rental income is accounted to profit and loss as per lease agreement. The company has a lease agreement for the period of 45 years with Kool solutions private limited.

**Future lease rental income receivable under the agreement are as under :-**

Particulars	31.03.2020	31.03.2019
less than one year	13,850,905	13,513,078
Later than one year but not less than five year	58,815,670	57,092,753
Later than five year	10,05,988,594	10,21,562,416
<b>Total</b>	<b>10,78,655,169</b>	<b>10,92,168,247</b>

**2.45 To the extent, the Company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under for the year:**

Particulars	31.03.2020	31.03.2019
<b>Amount due and payable at the year end</b>	-	-
- Principal	-	-
- Interest on above Principal	-	-
Payment made during the year after the due date	-	-
<b>- Principal</b>	-	-
<b>- Interest</b>	-	-
<b>Interest due and payable for Principal already paid</b>	-	-
<b>Total Interest accrued and remained unpaid at year end</b>	-	-

**2.46 The following disclosures are made as required by Ind AS 12 pertaining to Income taxes**
**a) Amounts recognized in the Statement of Profit and Loss / Other Comprehensive Income (OCI)**

	Particulars	2019-20	2018-19
<b>A</b>	<b>Current tax expense</b>	<b>1,600,000</b>	<b>600,000</b>
<b>B</b>	Deferred tax expense / (asset) relating to		
	- Origination and reversal of temporary differences	-1,760,676	-2,991,314
	- Change in tax rate	-	-
	<b>- Recognition of previously unrecognized tax (gains)/ losses</b>	-	-
	<b>- Total (B)</b>	<b>-1,760,676</b>	<b>-2,991,314</b>
<b>C</b>	<b>Tax expense recognized in the Statement of profit and loss (A+B)**</b>	<b>160,676</b>	<b>2,391,314</b>
<b>D</b>	Deferred tax expense / (asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	2,115	-36,946

## 28th ANNUAL REPORT

b) Reconciliation of effective tax rate as a numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate.

	Particulars	31.03.2020	31.03.2019
A	<b>Profit before tax</b>	<b>10,015,911</b>	<b>5,805,105</b>
B	Applicable Tax Rate (in percentage)	27.82	27.82
C	Tax using the applicable tax rate (A multiplied by B)	2,786,427	1,614,980
	Tax effect of:	-	-
	<b>Non-deductible tax expenses</b>	-	-
	<b>Recognition of tax effect of previously unrecognised tax gains/(losses)</b>	<b>2,625,751</b>	<b>776333</b>
D	<b>Tax expense recognized in the Statement of profit and loss</b>	<b>160,676</b>	<b>2,391,314</b>
E	<b>Weighted average tax rates (D divided by A expressed in percentage)</b>	<b>1.60</b>	<b>41.19</b>

\*\*\*Tax Expense of Rs. 2391314/- pertaining to the FY 2018-19 includes Rs. 2200000/- for the previous years.

c) Movement in Deferred Tax balances

	Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in OCI	Closing balance
	For the year ended 31.03.2020				
	Deferred Tax assets on				
	Employee benefit	587,223	58,869	2,115	648,207
	Depreciation	119,089	-234,979	-	-115,890
	Unabsorbed Depreciation	4,096,273	384,128	-	4,480,401
Add:	Unsuited tax credit	2,800,000	1,565,802	-	4,365,802
	Net Deferred tax assets after unsuited tax credit	7,602,585	1,773,820	2,115	9,378,520
	<b>For the year ended 31.03.2019</b>				
	Deferred Tax assets on				
	Employee benefit	496,162	54,115	36,946	587,223
	Depreciation	410,940	-291,851	-	119,089
	Unabsorbed Depreciation	3,667,223	429,050	-	4,096,273
Add:	Unsuited tax credit	-	2,800,000	-	2,800,000
	Net Deferred tax assets after unsuited tax credit	4,574,325	2,991,314	36,946	7,602,585

DEFERRED TAX ASSET ON UNABSORBED DEPRECIATION AND OTHER TEMPORARY DIFFERENCES AVAILABLE AS PER THE INCOME TAX ACT, 1961 HAS BEEN RECOGNIZED, SINCE IT IS PROBABLE THAT TAXABLE PROFIT WILL BE AVAILABLE TO ADJUST THEM IN FUTURE YEARS. UNABSORBED DEPRECIATION WHICH FORMS A MAJOR PORTION OF THE DEFERRED TAX ASSET CAN BE CARRIED FORWARD AND SET OFF AGAINST PROFITS FOR UNLIMITED NUMBER OF YEARS UNDER THE INDIAN INCOME TAX ACT, 1961; AND PROFITABILITY PROJECTIONS BASED ON CURRENT REFINING MARGINS SHOW SUFFICIENT PROFITS FOR SET-OFF IN FUTURE.

**NOTE 2.47 - FAIR VALUE MEASUREMENTS:**

The following disclosures are made as required by Ind AS -113 pertaining to Fair value measurement:

**a. Accounting classification and fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**b. Financial risk management**

The Company has exposure to the Credit risk, Liquidity risk and Market risk arising from financial instruments.

**Risk Management Framework:** The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits to control / monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is approved by the Board of Directors.

**c. Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

**Trade receivables:** The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

	Up to 6 months	6mons. to 1 yr.	1 year to 3 years	More than 3 years	Total
<b>As on 31 March 2020</b>					
Gross Carrying Amount	247937	1250	15929	0	265116
Specific Provision	0	0	0	0	0
Carrying Amount	247937	1250	15929	0	265116
<b>As on 31 March 2019</b>					
Gross Carrying Amount	382499	0	0	0	382499
Specific Provision	0	0	0	0	0
Carrying Amount	382499	0	0	0	382499

**Cash and cash equivalents:**

The Company held cash and cash equivalents of Rs. 5,03,877/- as at 31 March 2020 (31 March 2019: Rs.7,77,339/-). The cash and cash equivalents are held with reputed banks.

## 28th ANNUAL REPORT

### d. Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach to managing liquidity is to ensure, as far as possible, that it 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 the Company's reputation.

(In Rupees)

	Carrying amount	Contractual cash flows				Total
		Up to 1 year	1-2 years	2-5 years	Less than 5 years*	
<b>As on 31 Mar. 2020</b>						
Non-derivative financial liabilities						
Borrowings	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Trade payables	80,38,191	80,38,191	0	0	0	80,38,191

<b>As on 31 Mar. 2019</b>						
Non-derivative financial liabilities						
Borrowings	717366	0	0	0	0	717366
Interest						0
Trade payables	5752132	5752132	0	0	0	5752132

### e. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

#### Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### Exposure to Interest rate risk:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing long term financial instruments is as follows:

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Fixed-rate instruments		
Financial liabilities - measured at amortised cost	-	-
Variable-rate instruments		
Financial liabilities - measured at amortised cost	--	717366
<b>Total</b>		

#### Currency risk:

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.



The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies to manage its foreign currency exposure.

**Exposure to currency risk:**

The currency profile of financial assets and financial liabilities as on 31 March 2019, 31 March 2018 are as below:

	<b>Total</b>	<b>INR</b>	<b>USD</b>
<b>As on 31 Mar. 2020</b>			
<b>Financial assets</b>			
Cash and cash equivalents	503877	503877	0
Short-term loans and advances	933903	933903	0
Trade and other receivables	265116	265116	0
Other Non-current financial asset	673669	673669	0
<b>Exposure for assets (A)</b>	<b>2376565</b>	<b>2376565</b>	<b>0</b>
<b>Financial liabilities</b>			
Long term borrowings	0	0	0
Short term borrowings	0	0	0
Trade and other payables	8038191	8038191	0
Other Current financial liabilities	2015919	2015919	0
Exposure for liabilities (B)	<b>10054110</b>	<b>10054110</b>	<b>0</b>
Net exposure (A-B)	<b>-7677545</b>	<b>-7677545</b>	<b>0</b>
	<b>Total</b>	<b>INR</b>	<b>USD</b>
<b>As on 31 Mar. 2019</b>			
<b>Financial assets</b>			
Cash and cash equivalents	777339	777339	0
Short-term loans and advances	7687634	7687634	0
Trade and other receivables	382499	382499	0
Other Non-current financial asset	306206	306206	0
Exposure for assets (A)	<b>9153678</b>	<b>9153678</b>	<b>0</b>
<b>Financial liabilities</b>			
Long term borrowings	0	0	0
Short term borrowings	0	0	0
Trade and other payables	5752132	5752132	0
Other Current financial liabilities	1717765	1717765	0
Exposure for liabilities (B)	<b>7469897</b>	<b>7469897</b>	<b>0</b>
Net exposure (A-B)	<b>1683781</b>	<b>1683781</b>	<b>0</b>

## 28th ANNUAL REPORT

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### Sensitivity analysis:

Since there is no outstanding amount in foreign currency as on 31.03.2020 and 31.03.2019, there is no impact arising out of any variation in foreign currency to INR.

### Capital Management

For the purpose of the Company's capital management, capital includes issued capital, convertible instruments and reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments, if any, required in the light of the current economic environment and other business requirements.

- 2.48** The accumulated loss as at the balance sheet date is Rs. -7336784/- which is less than fifty percent of the equity capital. Based on the income from operation and other income, the management is hopeful of wiping out the entire deficit in the following years. Accordingly the accounts are compiled and presented as a going concern.
- 2.49** The Company has accounted for Un-utilized MAT credit available for previous year Rs. 6,00,000 and for current year Rs. 16,00,000 during current financial year.
- 2.50** The company has received a notice from Bombay Stock Exchange for Non-appointment of company secretary as compliance officer for the period April 2019 to March 2020 and provided for penalty of Rs.4,31,880 (previous year 2,14,760/-) charged by BSE. The management has taken and is continuing to take various steps for appointment of Company Secretary. The company has given advertisement for the post of company secretary but unable to get the appropriate candidate for the said post.
- 2.51** Previous year figures re-grouped / re-classified where ever necessary

As Per Our Report of Even Date attached

For and on behalf of the Board

For V. Sankar Aiyar & Co  
Chartered Accountants  
Firm Regn No. 109208W

Ashok M. Kadakia  
Chairman  
DIN:00317237

MSR Ayyangar  
Managing Director  
DIN: 00090266

V. Mohan  
Partner  
M.No. 17748

Vijay K. Agrawal  
Director  
DIN: 01710632

Place : Mumbai  
Date: 30<sup>th</sup> June 2020



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