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INDEPENDENT AUDITORS' REPORT

To
The Members of
Afco Industrial and Chemicals Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Afco Industrial and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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



INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 judgements 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, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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

1. 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.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
4. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chandabhoy & Jassoobhoy
Chartered Accountants
Firm Registration No. 101647W



Ekta Gosar
Partner
Membership No. 151786

Mumbai: May 02, 2019



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in para 3 of Independent Auditors' Report of even date to the members of Afco Industrial and Chemicals Limited on the financial statements for the year ended 31st March, 2019.

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We have been informed that the fixed assets have been physically verified by the management at reasonable intervals and no discrepancies have been noticed in respect of assets so verified during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and based on the records examined by us, the title deeds of the immovable properties are held in the name of the company.
- ii) The Company did not have any operations during the year. Accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to the Company
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3 (iii) of the Order are not applicable to the Company for the year under audit.
- iv) According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security nor made any investments as specified in Section 185 and 186 of the Act. Clause 3(iv) of the Order is, therefore, not applicable to the Company for the year under audit.
- v) The Company has not accepted any deposits during the year and hence the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made thereunder are not applicable to the Company.
- vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii) a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no material undisputed statutory dues outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of income tax or goods and service tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute as at March 31, 2019.



Chandabhoy & Jassoobhoy

Chartered Accountants

- viii) According to the information and explanations given to us and based on the records examined by us, the Company has not taken any loans from any financial institutions, banks or Government nor has issued any debentures as at the balance sheet date. Hence clause 3(viii) of the Order is not applicable to the Company for the year under audit.
- ix) According to the information and explanations given to us and the records of the Company examined by us, the Company has not availed any term loan during the year. The Company has not raised any money by way of public offer during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company for the year under audit.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees was noticed or reported during the year.
- xi) According to the information and explanations given to us, and based on the records examined by us, no managerial remuneration has been paid or provided during the year. Accordingly, the provisions of Clause (xi) of the Order are not applicable to the Company for the year under audit.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Clause 3(xv) of the Order is, therefore, not applicable to the Company during the year.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Clause 3(xvi) of the Order is, therefore, not applicable to the Company.

For Chandabhoy & Jassoobhoy
Chartered Accountants
Firm Registration No.:- 101647W



Ekta Gosar
Partner
Membership no.: 151786



Mumbai : May 02, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in para 4 (f) under 'Report on Other Legal and Regulatory Requirements' in of the Independent Auditors' Report of even date to the members of Afco Industrial and Chemicals Limited on the financial statements for the year ended 31st March 2019

Report on the Internal Financial Controls over Financial Reporting 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 Afco Industrial and Chemicals Limited ("the Company") as of March 31, 2019 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 essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Chandabhoj & Jassoobhoj

Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on 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 Chandabhoj & Jassoobhoj

Chartered Accountants

Firm Registration No.: - 101647W



Ekta Gosar

Partner

Membership No. 151786



Mumbai: May 02, 2019

Afco Industrial and Chemicals Limited

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31st MARCH, 2019

(Amount in INR)

Sr. No.	Particulars	Note No.	31st March, 2019	31st March, 2018
ASSETS				
1) <u>Non Current Assets</u>				
a)	Property, Plant & Equipment	3	27,38,155	28,09,385
b)	Financial Assets	4	94,53,521	1,57,08,747
(i)	Investments		2,30,956	2,12,956
(ii)	Others Financial Assets			
			1,24,22,632	1,87,31,088
2) <u>Current Assets</u>				
a)	Financial Assets			
(i)	Trade Receivables	6	10,90,872	9,78,978
(ii)	Cash and Cash Equivalents	5	6,28,498	6,40,202
(iii)	Others Financial Assets	7	28,811	32,450
b)	Other Current Assets		17,48,181	16,51,630
			1,41,70,813	2,03,82,718
Total Assets				
EQUITY AND LIABILITIES				
EQUITY				
1)	Equity Share Capital	8	76,05,000	76,05,000
2)	Other Equity	9	19,86,413	83,46,615
			95,91,413	1,59,51,615
LIABILITIES				
1) <u>Non Current Liabilities</u>				
a)	Provisions	10	35,96,844	36,29,217
			35,96,844	36,29,217
2) <u>Current Liabilities</u>				
a)	Financial Liabilities			
(i)	Trade Payables	11	9,64,242	7,86,084
(ii)	Other Financial Liabilities	12	18,314	15,802
b)	Other Current Liabilities		9,82,556	8,01,886
			45,79,400	44,31,103
			1,41,70,813	2,03,82,718
Total Equity and Liabilities				

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Significant accounting policies

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For **CHANDABHOY & JASSOOBHOY**

Chartered Accountants

Firm's Registration No.: 101647W

Eka Gosar
Partner

Membership No.: 151786

Mumbai

Date: 2nd May 2019



For and on behalf of the Board of Directors of
Afco Industrial and Chemicals Limited
CIN- U24110MH1983PLC012744

N.H. Datanwala
Director
DIN- 00047544

Mumbai
Date: 2nd May 2019

R. Jayshree
Director
DIN- 00081620

Mumbai
Date: 2nd May 2019

Afco Industrial and Chemicals Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in INR)

Sr. No.	Particulars	Note No.	31st March, 2019	31st March, 2018
I]	Revenue from Operations	-	-	-
II]	Other Income	13	1,04,184	1,04,245
III]	Total Income [I+II]		1,04,184	1,04,245
IV]	Expenses			
	i) Depreciation and Amortization Expenses	3	51,558	62,113
	ii) Other Expenses	14	1,57,602	1,38,067
	Total Expenses [IV]		2,09,160	2,00,180
V]	Profit / (Loss) Before Tax [III-IV]		(1,04,976)	(95,935)
VI]	Tax Expenses			
	1) In respect of Earlier Years		-	(1,600)
	Total Tax Expenses		-	(1,600)
VII]	Profit / (Loss) for the Period from Continuing Operations [V+VI]		(1,04,976)	(94,335)
VIII]	Other Comprehensive Income			
	(i) Items that will not be classified to Profit or Loss	15	(62,55,226)	95,49,387
	Total Income for the Period [VII+VIII]			
IX]	(Comprising Profit / (Loss) and Other Comprehensive Income for the period)		(63,60,202)	94,55,052
X]	Earning Per Equity Share (For Continuing Operations)		-	-
	1) Basic		(1.38)	(1.24)
	2) Diluted		(1.38)	(1.24)

Significant accounting policies

2

The accompanying notes form an integral part of financial statements
As per our report of even date attached

For CHANDABHOY & JASSOOBHOY

Chartered Accountants

Firm's Registration No : 101647W



Ekta Gosar

Partner

Membership No: 151786

Mumbai

Date : 2nd May 2019



For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CIN- U24110MH1983PLC012744



N.H. Datanwala

Director

DIN- 00047544

Mumbai

Date : 2nd May 2019



R Jayshree

Director

DIN- 00081620

Mumbai

Date : 2nd May 2019

Afco Industrial and Chemicals Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in INR)

Sr. No.	Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
A]	Cash Flow from Operating Activities		
	Net Profit / (Loss) before tax and extraordinary items	(1,04,976)	(95,935)
	Adjustment for:		
	> Depreciation	51,558	62,113
	> Dividend Income	(82,999)	(57,943)
	> Interest Income	(3,684)	(9,400)
	> Fixed assets written off	19,671	46,965
	Operating profit / (Loss) before working Capital changes	(1,20,430)	(54,200)
	Adjustment for:		
	> (Increase) / Decrease in Trade & Other Receivables, Other Assets	(2,656)	13,62,976
	> Increase / (Decrease) in Trade Payables and Provisions, Other Liability	1,48,297	(5,49,117)
	Cash From Operations	25,211	7,59,659
	Direct Taxes Paid / Refund received (Net)	-	1,600
	Net Cash generated from / (Used in) Operating Activities	25,211	7,61,259
B]	Cash Flow from Investing Activities		
	Interest Income	3,684	9,400
	Dividend Income	82,999	57,943
	Net Cash from / (Used in) Investing activities	86,683	67,343
C]	Cash Flow from Financing Activities		
	Cash Flow from Financing Activities	-	-
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B+ C)	1,11,894	8,28,602
	Cash and Cash Equivalents as at the beginning of the year	9,78,978	1,50,376
	Cash and cash equivalents at the end of the year	10,90,872	9,78,978

Significant accounting policies

2

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For **CHANDABHOY & JASSOOBHOY**

Chartered Accountants

Firm's Registration No : 101647W



Ekta Gosar

Partner

Membership No: 151786



Mumbai

Date : 2nd May 2019

For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CIN- U24110MH1983PLC012744



N.H. Datanwala

Director

DIN- 00047544

R Jayshree

Director

DIN- 00081620

Mumbai

Date : 2nd May 2019

Mumbai

Date : 2nd May 2019

Afco Industrial and Chemicals Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2019

A) EQUITY SHARE CAPITAL

Balance at the Beginning of the Reporting Period i.e. on 1st April, 2018	Changes in Equity Share Capital during the Year 2018 - 19	Balance at the End of the Reporting Period i.e. on 31st March, 2019
76,05,000	-	76,05,000

B) OTHER EQUITY

	Share Application Money Pending Allotment	Equity Component of Compound Financial Instruments	Reserves & Surplus						Equity Instruments through Other Comprehensive Income	Debt Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a Foreign Operation	Other Items of Other Comprehensive Income (Specify Nature)	Money Rec'd against Share Warrants	Total
			Capital Reserves	Securities Premium Reserve	General Reserve	Other Reserve (Statutory Reserve Fund)	Other Reserve (Capital Redemption Reserve)	Retained Earnings								
Balance at the Beginning of the Reporting Period	-	-	-	-	(38,35,833)	-	-	1,21,82,448	-	-	-	-	-	-	-	83,46,615
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	(62,55,226)	-	-	-	-	-	-	-	(62,55,226)
Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Reporting Period	-	-	-	-	(59,40,808)	-	-	59,27,222	-	-	-	-	-	-	-	19,86,413

Significant accounting policies

The accompanying notes form an integral part of financial

As per our report of even date attached

For **CHANDABHOY & JASSOOBHOY**

Chartered Accountants

Firm's Registration No. : 101647W



Elka Gosar
Partner

Membership No: 151786

Mumbai

Date : 2nd May 2019

For and on behalf of the Board of Directors of
Afco Industrial and Chemicals Limited

CIN- U24110MH1983PLC012744

N.H. Datawala
Director

Membership No: 00047544

Mumbai

Date : 2nd May 2019

R. Jaysihree
Director

Membership No: 00081620

Mumbai

Date : 2nd May 2019

Afco Industrial and Chemicals Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2018

A) EQUITY SHARE CAPITAL

Balance at the Beginning of the Reporting Period i.e. on 1st April, 2017	Changes in Equity Share Capital during the Year 2017 - 18	Balance at the End of the Reporting Period i.e. on 31st March, 2018
76,05,000	-	76,05,000

B) OTHER EQUITY

	Share Application Money Pending Allotment	Equity Component of Compound Financial Instruments	Reserves & Surplus						Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a Foreign Operation	Other Items of Other Comprehensive Income (Specify Nature)	Money Rec'd against Share Warrants	Total
			Capital Reserves	Securities Premium Reserve	General Reserve	Other Reserve (Statutory Reserve Fund)	Other Reserve (Capital Redemption Reserve)	Retained Earnings								
Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	(37,41,498)	-	26,33,060	-	-	-	-	-	(11,08,438)
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	95,49,388	-	-	-	-	-	95,49,388
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings	-	-	-	-	-	-	-	(94,335)	-	-	-	-	-	-	-	(94,335)
Any Other Change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Reporting Period	-	-	-	-	-	-	-	(38,35,833)	-	1,21,82,448	-	-	-	-	-	83,46,615



Afco Industrial and Chemicals Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

1. Company overview

Afco Industrial & Chemicals Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 ('the Act') and a subsidiary of The Bombay Burmah Trading Corporation, Limited.

2. Significant Accounting Policies

A) Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act, 2013 ("the Act").

B) Basis of preparation and presentation

i) Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value / Amortised Cost (refer accounting policy regarding financial instruments).

ii) Current-non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

a) An asset shall be classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.

b) All assets other than current assets shall be classified as non-current.

c) A liability shall be classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

d) All liabilities other than current liabilities are classified as non-current.

e) Based on the nature of activities of the company, the operating cycle for the purpose of classification of its assets & liabilities as current / non-current is considered as 12 months.

iii) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

- iv) Key estimates and judgements
The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates.
- v) Property, plant and Equipment
Property, Plant & Equipments are stated at historical cost. As per Indian Accounting Standards (IndAS) the carrying amount of Property, Plant & Equipment as at the end of financial year 2014-15 has been considered as the deemed cost in preparation of financial statements for the financial year 2018-19 and subsequent years.

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred up to the date of commissioning of the assets.
- vi) Depreciation and amortization
Depreciation is provided on the written down value method ('WDV') based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions is provided pro-rata from the date the assets are put to use. The fixed assets individually costing less than Rs 5000 are depreciated fully in the year of purchase.
- vii) Impairment of assets
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. 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.
- viii) Employee benefits
- (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 short term compensated absences, etc. and the expected cost of ex-gratia is recognized in the year in which the employee renders the related service.
- (b) Post-employment benefits
- i) Defined Contribution Plans: The Company's contribution to the recognized provident fund is a defined contribution plan. The contributions paid or payable



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

by the Company under the scheme are recognized as an expense in the statement of profit and loss in the year in which the employee renders the related service.

(ii) Defined Benefit Plans: The Company's gratuity scheme is a defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income.

ix) Investments

Investments are carried at Fair value through Other Comprehensive Income. In case of quotations not available for investments, the fair value is deemed to approximate to cost.

x) Income taxes

Tax expense comprises of current tax and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xi) Earnings per share

The basic and diluted earnings per share (EPS) is computed by dividing Net Profit after tax for the year by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

xii) Revenue Recognition

Dividend income is recognized when the right to receive payment is established

xiii) Provisions and Contingencies

a) A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

- b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying benefits is remote, no provision or disclosure is made.

xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

a) Financial assets

Classification: On initial recognition, a financial asset is classified as, measured at:

- Amortized cost
- Fair Value through Other comprehensive Income (FVOCI)
- Fair value through Profit and Loss (FVTPL)

Initial recognition and measurement

All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Equity investments

All equity investments are measured at fair value through Other Comprehensive Income

b) Financial Liabilities

Classification: Financial liabilities are measured at Amortized cost.



Afco Industrial and Chemicals Limited

Note 3. Property, Plant & Equipment

Particulars	Tangible Assets							Total Tangible Assets
	Freehold Land	Buildings	Plant & Machinery	Office Equipment	Computers	Furniture & Fixture	Vehicle	
For the Year Ended 31st March, 2018								
Gross Carrying Amount								
Deemed Cost as at 1st April, 2017	18,49,790	10,69,680	14,85,127	2,24,219	37,975	61,762	87,015	48,15,568
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	12,10,773	3,900	-	-	-	12,14,673
Closing Gross Carrying Amount	18,49,790	10,69,680	2,74,353	2,20,319	37,975	61,762	87,015	36,00,895
Accumulated Depreciation								
As at 1st April, 2017	-	1,03,786	14,10,540	2,14,443	22,736	58,620	86,980	18,97,105
Depreciation charge during the year	-	47,007	4,190	-	9,625	1,291	-	62,113
Disposals	-	-	11,63,924	3,784	-	-	-	11,67,708
Closing Accumulated Depreciation	-	1,50,793	2,50,806	2,10,659	32,361	59,911	86,980	7,91,510
For the Year Ended 31st March, 2019								
Gross Carrying Amount								
Opening as at 1st April, 2018	18,49,790	10,69,680	2,74,353	2,20,319	37,975	61,762	87,015	36,00,895
Additions	-	-	-	-	-	-	-	-
Disposals / Transfers	-	-	1,63,372	2,20,319	-	61,762	-	4,45,453
Closing Gross Carrying Amount	18,49,790	10,69,680	1,10,981	-	37,975	-	87,015	31,55,442
Accumulated Depreciation								
As at 1st April, 2018	-	1,50,793	2,50,806	2,10,659	32,361	59,911	86,980	7,91,510
Depreciation charge during the year	-	44,719	3,293	-	3,546	-	-	51,558
Disposals	-	-	1,55,212	2,10,659	-	59,911	-	4,25,782
Closing Accumulated Depreciation	-	1,95,512	98,887	-	35,907	-	86,980	4,17,286
Net Carrying Amount as on 31st March, 2018	18,49,790	9,18,887	23,548	9,660	5,614	1,851	35	28,09,385
Net Carrying Amount as on 31st March, 2019	18,49,790	8,74,168	12,094	-	2,068	-	35	27,38,155



Afco Industrial and Chemicals Limited

Note 4. Non Current Investments

(Amount in INR)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
A] Investments in Equity Instruments						
i) Other Entities						
- 952 (previous year : 952) Equity shares of Rs.100 each fully paid of Bombay Burma Trading Employees Welfare Company Limited	-	95,200	95,200	-	95,200	95,200
- 59,660 (previous year : 59,660) Equity shares of Rs.2 each fully paid of Bombay Dyeing & Manufacturing Company Limited	80,51,117	-	80,51,117	1,42,61,723	-	1,42,61,723
- 336 (previous year : 336) Equity shares of Rs.10 each fully paid of Tata Chemicals Limited	1,97,400	-	1,97,400	2,27,388	-	2,27,388
- 1 (previous year : 1) Equity shares of Rs.100 each fully paid of National Peroxide Employees Welfare Company Limited	-	100	100	-	100	100
- 540 (previous year : 540) Equity shares of Rs.2 each fully paid of Larsen and Tourbo Limited	7,47,387	-	7,47,387	7,07,886	-	7,07,886
- 949 (previous year : 949) Equity shares of Rs.10 each fully paid of Gujarat Narmada Valley Fertilisers Limited	2,90,347	-	2,90,347	3,45,389	-	3,45,389
- 18 (previous year : 18) Equity shares of Rs.10 each fully paid of Ultratech Cement Company Limited	71,970	-	71,970	71,061	-	71,061
Total Non Current Investment	93,58,221	95,300	94,53,521	1,56,13,447	95,300	1,57,08,747
Aggregate amount of Quoted Investments	34,31,000	-	34,31,000	34,31,000	-	34,31,000
Aggregate Market Value of Quoted Investments	93,58,221	-	93,58,221	1,56,13,447	-	1,56,13,447
Aggregate amount of Unquoted Investments	-	95,300	95,300	-	95,300	95,300
Aggregate amount of impairment in Value of Investments	-	-	-	-	-	-



Afco Industrial and Chemicals Limited

Note 5. Other Financial Assets

(Amount in INR)

Sr. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non Current	Current	Non Current
i)	Others				
	a) Other Deposits	-	2,30,956	-	2,12,956
	b) Other Receivables	4,82,356	-	4,68,324	-
	c) Staff Loan / Advance	1,40,467	-	1,71,878	-
	d) Prepaid Expenses	5,675	-	-	-
	Total	6,28,498	2,30,956	6,40,202	2,12,956



Afco Industrial and Chemicals Limited

Note 6. Cash & Cash Equivalents

(Amount in INR)

Sr. No.	Particulars	31st March, 2019	31st March, 2018
i)	Balances with banks:		
	- In current accounts	10,90,872	9,78,978
	Total	10,90,872	9,78,978

Note 7. Other Current Assets

Sr. No.	Particulars	31st March, 2019	31st March, 2018
i)	Central Excise - Receivable	2,508	2,508
ii)	GST Input Credit	26,303	29,942
	Total	28,811	32,450



Afco Industrial and Chemicals Limited

Note 8. Equity Share Capital

(Amount in INR)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised Share Capital		
80,000 equity shares of ₹ 100/- each (Previous Year 80,000 of ₹ 100/ each)	80,00,000	80,00,000
50,000 11.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 50,000 of ₹ 100/ each)	50,00,000	50,00,000
	1,30,00,000	1,30,00,000
Issued, Subscribed and paid-up		
76,050 Equity Shares of ₹ 100/ each (Previous year 76,050 of ₹ 100/ each)	76,05,000	76,05,000
	76,05,000	76,05,000

a) Terms and Rights attached to Equity Shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The Company declares and pays dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

b) Reconciliation of the shares outstanding at the beginning and at the end of reporting year.

Particulars	Number of Shares	Amount in Rs
Equity Shares of Rs. 100/- each As at 31st March, 2018	76,050	76,05,000
Increase during the year 2018 - 19	-	-
Equity Shares of Rs. 100/- each As at 31st March, 2019	76,050	76,05,000

c) Details of shares held by each shareholder holding more than 5% shares

Sr. No.	Name of the Shareholders	As at 31st March, 2019	% Holding	As at 31st March, 2018	% Holding
1	The Bombay Burmah Trading Corporation Limited (Including its Nominees)	76,050	100.00	76,050	100.00
		76,050	100.00	76,050	100.00



Afco Industrial and Chemicals Limited

Note 9. Other Equity

(Amount in INR)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other Comprehensive Income	59,27,222	1,21,82,448
Retained Earnings	(39,40,809)	(38,35,833)
Total	19,86,413	83,46,615

Other Comprehensive Income

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	1,21,82,448	26,33,060
Additions / Transfers		
- Transfer from Statement of Profit & Loss through OCI	(62,55,226)	95,49,388
Closing Balance	59,27,222	1,21,82,448

Retained Earnings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	(38,35,833)	(37,41,498)
Add : Profit/(Loss) for The Year	(1,04,976)	(94,335)
Closing Balance	(39,40,809)	(38,35,833)



Afco Industrial and Chemicals Limited

Note 10 : Provisions

(Amount in INR)

Sr. No.	Particulars	31st March, 2019		31st March, 2018	
		Current	Non Current	Current	Non Current
a)	Provisions for Employee Benefits - Gratuity	-	16,37,719	-	18,24,078
b)	Provisions for Employee Benefits - Leave Encashment	-	19,59,125	-	18,05,139
	Total	-	35,96,844	-	36,29,217

Note 11. Other Financial Liabilities

Sr. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non Current	Current	Non Current
a)	Expenses payable	5,07,567	-	18,000	-
b)	Due to related Party	4,56,675	-	7,68,084	-
	Total	9,64,242	-	7,86,084	-

Note 12. Other Liabilities

Sr. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non Current	Current	Non Current
a)	Others Liabilities - Statutory Liabilities	18,314	-	15,802	-
	Total	18,314	-	15,802	-



Afco Industrial and Chemicals Limited

Note 13. Other Income

(Amount in INR)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
1	Interest Income	3,684	7,800
2	Dividend Income	82,999	57,943
3	Other Non Operating Income (Net of Expenses Directly Attributable to Such Incomes)	17,501	38,502
	Total	1,04,184	1,04,245

Note 14. Other Expenses

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
1	Insurance	19,726	26,068
2	Rates and Taxes	32,524	2,500
3	Rent	27,825	16,695
4	Postage, telegrams and telephones	2,554	7,536
5	Printing and stationery	-	675
6	Repairs and Maintenance - Other repairs	938	4,400
7	Legal and Professional Fees	32,500	10,750
8	Payment to auditors (refer note 17)	20,000	20,000
9	Fixed assets written off	19,671	46,965
10	Miscellaneous expenses	1,864	2,478
	Total	1,57,602	1,38,067

Note 15 : Other Comprehensive Income (OCI)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A]	Items that will not be reclassified to Profit or Loss		
i)	Equity Instruments through other comprehensive income	(62,55,226)	95,49,387
	Total [A]	(62,55,226)	95,49,387



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

16. Micro, Small and Medium Enterprises

Based on the information and records available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2019 and as at 31 March 2018.

17. Payment to auditors' (excluding Goods & Service Tax)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory Audit fee	20,000	20,000
Reimbursement of expenses	-	-
Total	20,000	20,000

18. Segment reporting

Based on guiding principles in the Ind-AS 108 - "Operating Segments," the primary business segment of the Company is manufacturing and marketing of Electronic components (heat sinks and heat dissipaters). As the Company operates in a single primary business segment, disclosure requirements are not applicable. There is no reportable secondary segment.

19. Earnings per share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit/(loss) attributable to equity shareholders (as per the statement of profit and loss)	(1,04,976)	(94,335)
Calculation of weighted average number of equity shares for basic and diluted earnings per share		
Number of equity shares at the beginning of the year	76,050	76,050
Number of equity shares at the end of the year	76,050	76,050
Weighted average number of equity shares outstanding during the year	76,050	76,050
Basic and diluted earnings per equity share of Rs 100 each	(1.38)	(1.24)

20. Related Party Disclosures

Related party and nature of the related party relationship where control exists, irrespective of whether or not there have been transactions between the related parties:

Holding Company (ultimate control):

The Bombay Burmah Trading Corporation Limited

Others:

Nowrosjee Wadia & Sons Limited



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

Transactions with related party have been set out as below:

Particulars	31 March 2019		31 March 2018	
	Holding Company	Others	Holding Company	Others
Compensation for use of facilities (paid)	-	-	-	-
Expenses reimbursed (expense)	24,662	-	30,769	-
Capital expenditure reimbursed	-	-	-	-
Expenses charged (income)	62,37,735	12,92,613	60,47,351	10,35,882
Closing balance (payable) / receivable	(4,56,675)	2,99,700	(7,68,084)	2,14,140

21. Deferred taxes

Particulars	31 March 2019	31 March 2018
Deferred Tax Asset		
Provision for leave encashment / Gratuity	9,35,179	929,115
On unabsorbed business losses	6,35,072	649,611
Difference in Written Down Value of fixed assets/ Depreciation	15,132	11,985
Deferred tax assets (net)	15,85,383	15,90,711
The deferred tax assets of Rs.15,85,383 (Previous Year: Rs.15,90,711) is not recognized as it is not considered to be virtually certain of realisation.		

22. Other Notes

22.1 : Financial instruments – Fair values and risk management

Financial instruments – Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

A. Accounting classification and fair values

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2019								
Financial Assets	-	-	-	-	-	-	-	-
Non-Current Investments	-	93,58,221	95,300	94,53,521	93,58,221	-	95,300	94,53,521
Current Investments	-	-	-	-	-	-	-	-
Financial Liabilities								
Non-Current Borrowings	-	-	-	-	-	-	-	-
March 31, 2018								



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

Financial Assets	-	-	-	-	-	-	-	-
Non-Current Investments	-	1,56,13,447	95,300	1,57,08,747	1,56,13,447	-	95,300	1,57,08,747
Current Investments	-	-	-	-	-	-	-	-
Financial Liabilities Non-Current Borrowings	-	-	-	-	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee.	a. Forecast annual revenue growth rate b. Forecast EBITDA c. Adjusted market multiple	The estimated fair value would increase (decrease) if: - the annual revenue growth rate were higher/ (lower) - the EBITDA margins were higher/(lower)

C. Financial risk management

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments and long term debt.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Interest rate risk
- Price risk



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

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 Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to 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.

Credit risk: Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of following financial assets represents the maximum credit exposure:

Cash and cash equivalents

The Company held cash and cash equivalents of INR 10,90,872 at March 31, 2019 (March 31, 2018: INR 9,78,978). The cash and cash equivalents are held with banks with good credit ratings.

Liquidity risk: Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that 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.

Market risk: Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to Market risk primarily related to interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities.

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. 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.

Price Risk: Price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices not related to interest rate risk or currency exchange risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Capital Management: The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

22.2: The disclosures as per Ind-AS are to the extent applicable, relevant, significant or material in the preparation and presentation of these financial statements.



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

23. Other information

Information with regard to other matters specified in Schedule III to the Companies Act, 2013, is either nil or not applicable to the Company for the year.

As per our report of even date attached.

For CHANDABHOY & JASSOOBHOY

Chartered Accountants

Firm's Registration No: 101647W



Ekta Gosar

Partner

Membership No: 151786

Mumbai

Date : 2nd May 2019



For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CIN-U24110MH1983PLC012744




N. H. Datanwala

Director

DIN-00047544

Mumbai:

Date : 2nd May 2019



R Jayshree

Director

DIN-00081620

Mumbai:

Date : 2nd May 2019