

# Afco Industrial and Chemicals Limited

## STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31st MARCH, 2020

(Amount in INR)

Sr. No.	Particulars	Note No.	31st March, 2020	31st March, 2019
<b>ASSETS</b>				
1)	<b><u>Non Current Assets</u></b>			
a)	Property, Plant & Equipment	3	2,691,718	2,738,155
b)	Financial Assets			
(i)	Investments	4	3,618,520	9,453,521
(ii)	Others Financial Assets	5	242,676	230,956
			<b>6,552,914</b>	<b>12,422,632</b>
2)	<b><u>Current Assets</u></b>			
a)	Financial Assets			
(i)	Trade Receivables		-	-
(ii)	Cash and Cash Equivalents	6	110,487	1,090,872
(iii)	Loans receivable	7	43,673	140,467
(iv)	Others Financial Assets	5	1,464,481	482,356
b)	Other Current Assets	8	40,033	34,486
			<b>1,658,674</b>	<b>1,748,181</b>
	<b>Total Assets</b>		<b>8,211,588</b>	<b>14,170,813</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
1)	Equity Share Capital	9	7,605,000	7,605,000
2)	Other Equity	10	(3,874,801)	1,986,413
			<b>3,730,199</b>	<b>9,591,413</b>
<b>LIABILITIES</b>				
1)	<b><u>Non Current Liabilities</u></b>			
a)	Provisions	11	4,043,539	3,596,844
			<b>4,043,539</b>	<b>3,596,844</b>
2)	<b><u>Current Liabilities</u></b>			
a)	Financial Liabilities			
(i)	Trade Payables		-	-
(ii)	Other Financial Liabilities	12	339,657	964,242
b)	Other Current Liabilities	13	98,193	18,314
			<b>437,850</b>	<b>982,556</b>
	<b>Total Liabilities</b>		<b>4,481,389</b>	<b>4,579,400</b>
	<b>Total Equity and Liabilities</b>		<b>8,211,588</b>	<b>14,170,813</b>
Significant accounting policies		2		
The accompanying notes form an integral part of financial statements				
As per our report of even date attached				
<b>For CHANDABHOY &amp; JASSOOBHOY</b>		For and on behalf of the Board of Directors of		
<i>Chartered Accountants</i>		<b>Afco Industrial and Chemicals Limited</b>		
Firm's Registration No : 101647W		CIN- U24110MH1983PLC012744		
Sd/-		Sd/-		Sd/-
<b>Ekta Gosar</b>		<b>N.H.Datanwala</b>		<b>Jayshree Ramasubramanian</b>
<i>Partner</i>		<i>Director</i>		<i>Director</i>
Membership No: 151786		DIN- 00047544		DIN- 00081620
Mumbai		Mumbai		Mumbai
Date : 22nd June, 2020		Date : 22nd June, 2020		Date : 22nd June, 2020

# Afco Industrial and Chemicals Limited

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in INR)

Sr. No.	Particulars	Note No.	31st March, 2020	31st March, 2019
I]	Revenue from Operations	-	-	-
II]	Other Income	14	119,506	104,184
III]	Total Income [I+II]		<b>119,506</b>	<b>104,184</b>
IV]	Expenses			
	i) Depreciation and Amortization Expenses	3	46,437	51,558
	ii) Other Expenses	15	102,008	157,602
	Total Expenses [IV]		<b>148,445</b>	<b>209,160</b>
V]	Profit / (Loss) Before Tax [III-IV]		<b>(28,939)</b>	<b>(104,976)</b>
VI]	Tax Expenses			
	1) In respect of Earlier Years		(2,725)	-
	Total Tax Expenses		<b>(2,725)</b>	<b>-</b>
VII]	Profit / (Loss) for the Period from Continuing Operations [V+VI]		<b>(26,214)</b>	<b>(104,976)</b>
VIII]	Other Comprehensive Income			
	(i) Items that will not be classified to Profit or Loss	16	(5,835,000)	(6,255,226)
	Total Income for the Period [VII+VIII]			
IX]	(Comprising Profit / (Loss) and Other Comprehensive Income for the period)		<b>(5,861,214)</b>	<b>(6,360,202)</b>
X]	Earning Per Equity Share (For Continuing Operations)			
	1) Basic	20	(0.34)	(1.38)
	2) Diluted	20	(0.34)	(1.38)

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

For and on behalf of the Board of Directors of

**Afco Industrial and Chemicals Limited**

CIN- U24110MH1983PLC012744

Sd/-

**Ekta Gosar**

*Partner*

Membership No: 151786

Mumbai

Date : 22nd June, 2020

Sd/-

**N.H.Datanwala**

Director

DIN- 00047544

Mumbai

Date : 22nd June, 2020

Sd/-

**Jayshree Ramasubramanian**

Director

DIN- 00081620

Mumbai

Date : 22nd June, 2020

# Afco Industrial and Chemicals Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in INR)

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A]</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit / (Loss) before tax and extraordinary items	(28,939)	(104,976)
	Adjustment for:		
	> Depreciation	46,437	51,558
	> Dividend Income	(115,660)	(82,999)
	> Interest Income	(3,846)	(3,684)
	> Fixed assets written off	-	19,671
	Operating profit / (Loss) before working Capital changes	(102,008)	(120,430)
	Adjustment for:		
	> (Increase) / Decrease in Trade & Other Receivables, Other Assets	(897,197)	(2,656)
	> Increase / (Decrease) in Trade Payables and Provisions, Other Liability	(98,011)	148,297
	Cash From Operations	(1,097,216)	25,211
	Direct Taxes Paid / Refund received (Net)	2,725	-
	Net Cash generated from / (Used in ) Operating Activities	(1,094,491)	25,211
<b>B]</b>	<b>Cash Flow from Investing Activities</b>		
	Interest Income	3,846	3,684
	Dividend Income	110,260	82,999
	Net Cash from / (Used in) Investing activities	114,106	86,683
<b>C]</b>	<b>Cash Flow from Financing Activities</b>		
	Cash Flow from Financing Activities	-	-
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B+ C)	(980,385)	111,894
	Cash and Cash Equivalents as at the beginning of the year	1,090,872	978,978
	Cash and cash equivalents at the end of the year	110,487	1,090,872

Significant accounting policies

2

The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows as notified under section 133 of the Companies Act, 2013.

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

For and on behalf of the Board of Directors of

**Afco Industrial and Chemicals Limited**

CIN- U24110MH1983PLC012744

Sd/-

**Ekta Gosar**

Partner

Membership No: 151786

Mumbai

Date : 22nd June, 2020

Sd/-

**N.H.Datanwala**

Director

DIN- 00047544

Mumbai

Date : 22nd June, 2020

Sd/-

**Jayshree Ramasubramanian**

Director

DIN- 00081620

Mumbai

Date : 22nd June, 2020

# Afco Industrial and Chemicals Limited

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

### A) EQUITY SHARE CAPITAL

Balance at the Beginning of the Reporting Period i.e. on 1st April, 2019	Changes in Equity Share Capital during the Year 2019-20	Balance at the End of the Reporting Period i.e. on 31st March, 2020
7,605,000	-	7,605,000

### 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	-	-	-	-	-	-	-	(3,940,808)	-	5,927,222	-	-	-	-	-	1,986,413
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	(5,835,000)	-	-	-	-	-	(5,835,000)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings	-	-	-	-	-	-	-	(26,214)	-	-	-	-	-	-	-	(26,214)
Any Other Change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Reporting Period	-	-	-	-	-	-	-	(3,967,023)	-	92,222	-	-	-	-	-	(3,874,801)

Significant accounting policies

The accompanying notes form an integral part of financial

As per our report of even date attached

**For CHANDABHOY & JASSOQBHOY**

Chartered Accountants

Firm's Registration No : 101647W

For and on behalf of the Board of Directors of

**Afco Industrial and Chemicals Limited**

CIN- U24110MH1983PLC012744

Sd/-

**Ekta Gosar**

Partner

Membership No: 151786

Mumbai

Date : 22nd June, 2020

Sd/-

**N.H.Datanwala**

Director

DIN- 00047544

Mumbai

Date : 22nd June, 2020

Sd/-

**Jayshree Ramsubramanian**

Director

DIN- 00081620

Mumbai

Date : 22nd June, 2020

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2020

(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

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

- 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.

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 (Ind-AS) 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 as on the date of transition to Ind-AS.

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.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

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 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 plan. The provision for gratuity for the employees have been made as per the Payment of Gratuity Act, 1972. Further, the said gratuity expense is being recovered from the respective companies for which the employees are working.

iii) Other Long Term Employee Benefit: Compensated absences for staff are provided for on accrual basis according to the rules of the companies. The Employees are entitled to accumulate leave subject to certain limit for future encashments / availment. Further, the said expense is being recovered from the respective companies for which the employees are working.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

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 appropriate, the risks specific to the liability. When discounting is used, the



# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

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 classified as, measured at Amortized cost.

## Afco Industrial and Chemicals Limited

### Note 3. Property, Plant & Equipment

(Amount in INR)

Particulars	Tangible Assets							Total Tangible Assets
	Freehold Land	Buildings	Plant & Machinery	Office Equipment	Computers	Furniture & Fixture	Vehicle	
<b>For the Year Ended 31st March, 2019</b>								
<b>Gross Carrying Amount</b>								
Deemed Cost as at 1st April, 2018	1,849,790	1,069,680	274,353	220,319	37,975	61,762	87,015	3,600,895
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	163,372	220,319	-	61,762	-	445,453
Closing Gross Carrying Amount	1,849,790	1,069,680	110,981	-	37,975	-	87,015	3,155,442
<b>Accumulated Depreciation</b>								
As at 1st April, 2018	-	150,793	250,806	210,659	32,361	59,911	86,980	791,510
Depreciation charge during the year	-	44,719	3,293	-	3,546	-	-	51,558
Disposals	-	-	155,212	210,659	-	59,911	-	425,782
Closing Accumulated Depreciation	-	195,512	98,887	-	35,907	-	86,980	417,286
<b>For the Year Ended 31st March, 2020</b>								
<b>Gross Carrying Amount</b>								
Opening as at 1st April, 2019	1,849,790	1,069,680	110,981	-	37,975	-	87,015	3,155,441
Additions	-	-	-	-	-	-	-	-
Disposals / Transfers	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	1,849,790	1,069,680	110,981	-	37,975	-	87,015	3,155,441
<b>Accumulated Depreciation</b>								
As at 1st April, 2019	-	195,512	98,887	-	35,907	-	86,980	417,286
Depreciation charge during the year	-	42,543	2,588	-	1,306	-	-	46,437
Disposals	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	238,055	101,475	-	37,213	-	86,980	463,723
Net Carrying Amount as on 31st March, 2019	1,849,790	874,168	12,095	-	2,068	-	35	2,738,155
Net Carrying Amount as on 31st March, 2020	1,849,790	831,625	9,506	-	762	-	35	2,691,718

## Afco Industrial and Chemicals Limited

### Note 4. Non Current Investments

(Amount in INR)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	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	2,732,428	-	2,732,428	8,051,117	-	8,051,117
- 336 (previous year : 336) Equity shares of Rs.10 each fully paid of Tata Chemicals Limited	74,928	-	74,928	197,400	-	197,400
- 383 (previous year : Nil) Equity shares of Rs.1 each fully paid of Tata Consumer Products Limited	112,908	-	112,908	-	-	-
- 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 Turbo Limited	435,699	-	435,699	747,387	-	747,387
- 949 (previous year : 949) Equity shares of Rs.10 each fully paid of Gujarat Narmada Valley Fertilisers Limited	108,850	-	108,850	290,347	-	290,347
- 18 (previous year : 18) Equity shares of Rs.10 each fully paid of Ultratech Cement Company Limited	58,407	-	58,407	71,970	-	71,970
<b>Total Non Current Investment</b>	<b>3,523,220</b>	<b>95,300</b>	<b>3,618,520</b>	<b>9,358,221</b>	<b>95,300</b>	<b>9,453,521</b>
Aggregate amount of Quoted Investments	3,431,000	-	3,431,000	3,431,000	-	3,431,000
Aggregate Market Value of Quoted Investments	3,523,220	-	3,523,220	9,358,221	-	9,358,221
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

(Unsecured and considered good unless otherwise stated)

(Amount in INR)

Sr. No.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Current	Non Current	Current	Non Current
i)	Others				
	a) Other Deposits	18,000	242,676	-	230,956
	b) Other Receivables				
	- Receivable from Related Party	800,078	-	299,700	-
	- Dividend receivable	5,400	-	-	-
	- Others	641,003	-	182,656	-
	<b>Total</b>	<b>1,464,481</b>	<b>242,676</b>	<b>482,356</b>	<b>230,956</b>

# Afco Industrial and Chemicals Limited

## Note 6. Cash & Cash Equivalents

(Amount in INR)

Sr. No.	Particulars	31st March, 2020	31st March, 2019
i)	Cash on hand	16,466	-
ii)	Balances with banks: - In current accounts	94,021	1,090,872
	<b>Total</b>	<b>110,487</b>	<b>1,090,872</b>

## Note 7. Loan receivable

(Unsecured and considered good unless otherwise stated)

(Amount in INR)

Sr. No.	Particulars	31st March, 2020	31st March, 2019
i)	Loan to Employees	43,673	140,467.00
		<b>43,673</b>	<b>140,467</b>

## Note 8. Other Current Assets

Sr. No.	Particulars	31st March, 2020	31st March, 2019
i)	Central Excise - Receivable	-	2,508
ii)	GST Input Credit	40,033	26,303
iii)	Prepaid Expenses	-	5,675
	<b>Total</b>	<b>40,033</b>	<b>34,486</b>

# Afco Industrial and Chemicals Limited

## Note 9. Equity Share Capital

(Amount in INR)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised Share Capital</b>		
80,000 equity shares of ₹ 100/- each (Previous Year 80,000 of ₹ 100/ each)	8,000,000	8,000,000
50,000 11.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 50,000 of ₹ 100/ each)	5,000,000	5,000,000
	<b>13,000,000</b>	<b>13,000,000</b>
<b>Issued, Subscribed and paid-up</b>		
76,050 Equity Shares of ₹ 100/ each (Previous year 76,050 of ₹ 100/ each)	7,605,000	7,605,000
	<b>7,605,000</b>	<b>7,605,000</b>

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	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	Amount in Rs	Number of Shares	Amount in Rs
<b>Equity Shares of Rs. 100/- each at the beginning of the year</b>	76,050	7,605,000	76,050	7,605,000
Increase during the year	-	-	-	-
<b>Equity Shares of Rs. 100/- each at the end of the year</b>	76,050	7,605,000	76,050	7,605,000

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

Sr. No.	Name of the Shareholders	As at 31st March, 2020	% Holding	As at 31st March, 2019	% 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 10. Other Equity

(Amount in INR)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Comprehensive Income	92,222	5,927,222
Retained Earnings	(3,967,023)	(3,940,809)
<b>Total</b>	<b>(3,874,801)</b>	<b>1,986,413</b>

### Other Comprehensive Income

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	5,927,222	12,182,448
<b>Additions / Transfers</b>		
- Transfer from Statement of Profit & Loss through OCI	(5,835,000)	(6,255,226)
<b>Closing Balance</b>	<b>92,222</b>	<b>5,927,222</b>

### Retained Earnings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	(3,940,809)	(3,835,833)
<b>Add : Profit/(Loss) for The Year</b>	<b>(26,214)</b>	<b>(104,976)</b>
<b>Closing Balance</b>	<b>(3,967,023)</b>	<b>(3,940,809)</b>

# Afco Industrial and Chemicals Limited

## Note 11 : Provisions

(Amount in INR)

Sr. No.	Particulars	31st March, 2020		31st March, 2019	
		Current	Non Current	Current	Non Current
a)	Provisions for Employee Benefits - Gratuity	-	2,166,312	-	1,637,719
b)	Provisions for Employee Benefits - Leave Encashment	-	1,877,227	-	1,959,125
	<b>Total</b>	-	<b>4,043,539</b>	-	<b>3,596,844</b>

## Note 12. Other Financial Liabilities

Sr. No.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Current	Non Current	Current	Non Current
A)	Expenses payable	339,657	-	507,567	-
b)	Due to related Party	-	-	456,675	-
	<b>Total</b>	<b>339,657</b>	-	<b>964,242</b>	-

## Note 13. Other Liabilities

Sr. No.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Current	Non Current	Current	Non Current
a)	Others Liabilities - Statutory Liabilities	98,193	-	18,314	-
	<b>Total</b>	<b>98,193</b>	-	<b>18,314</b>	-



**Note 14. Other Income**

(Amount in INR)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>
1	Interest Income	3,846	3,684
2	Dividend Income	115,660	82,999
3	Other Non Operating Income (Net of Expenses Directly Attributable to Such Incomes)	-	17,501
	<b>Total</b>	<b>119,506</b>	<b>104,184</b>

**Note 15. Other Expenses**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>
1	Insurance	8,805	19,726
2	Rates and Taxes	7,483	32,524
3	Rent	27,825	27,825
4	Postage, telegrams and telephones	2,523	2,554
5	Repairs and Maintenance - Other repairs	4,692	938
6	Legal and Professional Fees	19,050	32,500
7	Payment to auditors (refer note 18)	23,050	20,000
8	Balances Written off	2,508	-
9	Fixed Assets written off	-	19,671
10	Miscellaneous expenses	6,072	1,864
	<b>Total</b>	<b>102,008</b>	<b>157,602</b>

**Note 16 : Other Comprehensive Income (OCI)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>
A]	Items that will not be reclassified to Profit or Loss		
i)	Equity Instruments through other comprehensive income	(5,835,000)	(6,255,226)
	<b>Total [A]</b>	<b>(5,835,000)</b>	<b>(6,255,226)</b>

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian rupees)

### 17. 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 2020 and as at 31 March 2019.

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory Audit fee	20,000	20,000
Reimbursement of expenses	3050	-
<b>Total</b>	<b>23,050</b>	<b>20,000</b>

### 19. 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.

### 20. Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit/(loss) attributable to equity shareholders (as per the statement of profit and loss)	(26,214)	(1,04,976)
<b>Calculation of weighted average number of equity shares for basic and diluted earnings per share</b>		
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	(0.34)	(1.38)

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian rupees)

### 21. 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

Medical Microtechnology Limited

**Key Management Personnel:**

Mr. Nitin Hariyanta Datanwala

Ms. Ramasubramnium Jayshree

Mr. Rustom Adi Sui

Transactions with related party have been set out as below:

Particulars	31 March 2020		31 March 2019	
	Holding Company	Others	Holding Company	Others
Compensation for use of facilities (paid)	-	-	-	-
Expenses Charged by them	13,788	-	24,662	-
Capital expenditure reimbursed	-	-	-	-
Expenses charged to them	52,28,515	14,35,409	62,37,735	12,92,613
Closing balance (payable) / receivable	2,58,052	5,42,026	(4,56,675)	2,99,700

### 22. Taxation

#### a. Deferred taxes

Particulars	31 March 2020	31 March 2019
<b>Deferred Tax Asset</b>		
Provision for leave encashment / Gratuity	10,51,320	9,35,179
On unabsorbed business losses	6,26,495	6,35,072
Difference in Written Down Value of fixed assets/ Depreciation	13,000	15,132
<b>Deferred tax assets (net)</b>	<b>16,90,816</b>	<b>15,85,383</b>

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

The deferred tax assets of Rs.16,90,816 (Previous Year: Rs.15,85,383) is not recognized as it is not considered to be virtually certain of realisation.

- b. In view of the carried forward losses of the earlier years available for setoff, their no liability in respect of Income Tax. Hence, no provision for Income Tax has been made.

### 23. Other Notes

#### 23.1 : 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, 2020								
Financial Assets								
Non-Current Investments	-	36,18,520	-	36,18,520	35,23,220	-	95,300	36,18,520
Other Non Current Financial Assets	-	-	2,42,676	2,42,676	-	-	-	-
Cash & Cash Equivalent	-	-	1,10,487	1,10,487	-	-	-	-
Loan receivable	-	-	43,673	43,673	-	-	-	-
Other Current	-	-	14,64,481	14,64,481	-	-	-	-

# Afco Industrial and Chemicals Limited

## Notes to the financial statements *(continued)*

for the year ended 31 March 2020

(Currency: Indian rupees)

Financial Asset								
Financial Liabilities								
Other Current Financial Liabilities	-	-	3,39,657	3,39,657	-	-	-	-
March 31, 2019								
Financial Assets								
Non-Current Investments	-	94,53,521	-	94,53,521	93,58,221	-	95,300	94,53,521
Other Non Current Financial Assets	-	-	2,30,956	2,30,956	-	-	-	-
Cash & Cash Equivalent	-	-	10,90,872	10,90,872	-	-	-	-
Loan receivable	-	-	1,40,467	1,40,467	-	-	-	-
Other Current Financial Asset	-	-	4,82,356	4,82,356	-	-	-	-
Financial Liabilities								
Other Current Financial Liabilities	-	-	9,64,242	9,64,242	-	-	-	-

### 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

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

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 longterm debt.

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

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

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

The Company's risk management policies are established to identify and analyze 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 1,10,487 at March 31, 2020 (March 31, 2019: INR 10,90,872). 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. The entities

# Afco Industrial and Chemicals Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: Indian rupees)

exposure to equity securities price arises from Investments held by the entity and classified in the Balance Sheet as Fair Value through OCI.

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.

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

### 24. 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.

**25.** Comparative figures have been regrouped / reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date attached.

**For CHANDABHOY & JASSOOBHOY**

Chartered Accountants

Firm's Registration No: 101647W

For and on behalf of the Board of Directors of

**Afco Industrial and Chemicals Limited**

CIN-U24110MH1983PLC012744

Sd/-

**Ekta Gosar**

*Partner*

Membership No: 151786

Mumbai

Date : 22<sup>nd</sup> June, 2020

Sd/-

**N. H. Datanwala**

*Director*

DIN-00047544

Mumbai

Date : 22<sup>nd</sup> June, 2020

Sd/-

**Jayshree Ramasubramanian**

*Director*

DIN-00081620

Mumbai

Date : 22<sup>nd</sup> June, 2020