



RISHIROOP

**Annual Report 2019-20**

**RISHIROOP LIMITED**

# BOARD OF **DIRECTORS**

**Chairman**  
Arvind Kapoor

**Managing Director**  
Aditya Kapoor

**Director**  
Vijyatta Jaiswal

**Director**  
Dilip Shah

**Director**  
Atul Shah

**Director**  
Hemant Vakil

## **AUDITORS & BANKERS**

**Auditors**  
Jayesh Dadia  
& Associates, LLP

**Company Secretary**  
Agnelo Fernandes

**CFO**  
Suresh Khilnani

**Bankers**  
Axis Bank  
Central Bank of India  
Citibank  
HDFC Bank

### **Registrar & Share Transfer Agent**

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai-400083  
Tel No: +91 22 49186270  
Email id : rnt.helpdesk@linkintime.co.in  
Website : www.linkintime.co.in

**SHARE TRANSFER  
AGENT** REGISTRAR &

**PLANTS &  
OFFICES**

**Registered Office**  
W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik 422007

**Corporate Office**  
84, Atlanta  
Nariman Point  
Mumbai 400021

**CIN :** L25200MH1984PLC034093

**Email :** investor@rishiroop.com

**Website :** www.rishiroop.in

**Tel :** +91-22-40952000

+91-0253-2350042

**Fax :** +91-22-22872796

# ANNUAL REPORT 2019-20

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## NOTICE

Notice is hereby given that the Thirty-Fifth(35<sup>th</sup>) Annual General Meeting of Rishiroop Ltd. will be held on Monday, September 28, 2020 at 11:00 a.m., Indian Standard Time (“IST”), through Video Conferencing/ Other Audio Visual Means (“VC/OAVM”) Facility to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon;
2. To confirm the payment of Interim Dividend @ 10% i.e.Rs. 1/- per equity share, already paid during the year, as the Final Dividend for the financial year 2019-2020;
3. To appoint a Director in place of Mr. Arvind M. Kapoor (DIN :00002704), who retires by rotation, and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

4. Re-appointment of Ms. Vijyatta Jaiswal (DIN-07131327) as an Independent Director for a Second Term  
To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their separate meetings, both held on June 29, 2020, and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for the re-appointment of Ms. Vijyatta Jaiswal (DIN-07131327) as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company upto the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company in the calendar year 2025.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

For and on behalf of the Board of Directors

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

Place: Mumbai  
Date: 29.06.2020

**Registered Office:**  
W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No. 4 of the accompanying Notice, is annexed hereto.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79

dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”), and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the 35<sup>th</sup> Annual General Meeting (‘AGM’) of the Company is being convened and conducted in compliance with the applicable provisions of Companies Act, 2013 read with the aforesaid MCA circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) facility, which does not require physical presence of members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

3. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 35<sup>th</sup> AGM. Hence, Proxy and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and aforesaid MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (‘CDSL’) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. In accordance with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of 35<sup>th</sup> AGM alongwith Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at [www.rishiroop.in/investors](http://www.rishiroop.in/investors). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The Register of Members and share transfer books of the Company will remain closed from September 21, 2020 to September 28, 2020 (both days inclusive) for the purpose of Annual General Meeting.
9. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. September 21, 2020, shall be entitled to avail the facility of remote e-voting, as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the cut-off date, shall treat this Notice as intimation only.
10. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the cut-off date i.e. September 21, 2020, shall be entitled to exercise his/her vote electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this Notice.
11. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

12. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2020.
13. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready.
14. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, and all other documents referred to in the Notice and Explanatory Statement will be available for inspection in electronic mode by writing to the Company at its email id : investor@rishiroop.com till the date of AGM.
16. Members holding shares in physical form are requested to immediately intimate any change in their residential address to Link Intime India Private Limited, C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083, Registrars and Transfer Agent of the Company, so that change could be effected in the Register of Members. Members who are holding shares in demat mode are requested to notify any change in their residential address, bank account details and/ or email address immediately to their respective Depository Participants.
17. Members are advised to submit their National Electronic Clearing System (NECS) mandates, to enable the Company to make remittance by means of NECS. Those holding shares in physical form may obtain and send the NECS mandate form to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company. Those holding shares in Electronic Form may obtain and send the NECS mandate form directly to their Depository Participant (DP). Those who have already furnished the NECS Mandate Form to the Company/Registrar & Share Transfer Agent/DP with complete details need not send it again.
18. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.
19. During the year, amount of Un-claimed Dividend of Rs. 457,817/- for the financial year 2011-12 has been deposited in the Investors Education and Protection Fund (IE&PF). The Company also transmitted 14,750 equity shares of the Company into the demat account of the IE&PF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of section 124(6) of the Companies Act, 2013 and the IE&PF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These equity shares were the shares of such Shareholders whose unclaimed/ unpaid dividend pertaining to financial year 2011-12 had been transferred into IEPF and who have not encashed their dividends for 7(Seven) subsequent financial years. Concerned shareholders may still claim the shares or apply for refund to the IE&PF Authority in eFormNo. IEPF-5 available on www.iepf.gov.in.
20. Pursuant to the provisions of Sec 124 of the Companies Act, 2013, the unpaid/unclaimed dividend for the Financial Year 2012-13 will be transferred to the Investor Education & Protection Fund (IE&PF) Account. Further, as per Sec 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') all shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IE&PF demat account.

The Company has sent notice to all the members whose dividends are lying unpaid/unclaimed against their name for seven consecutive years advising the concerned shareholders to claim the dividend on or before May 30, 2020, and also published the Notice in the newspapers. The list of such members has been uploaded on the website of the Company, and is available on the weblink- <http://www.rishiroop.in/investors/corporate-governance/corporate-disclosures/>.

Members are requested to claim the unclaimed dividend forthwith. Members may please note that in compliance with the statutory requirements necessary steps will be initiated by the Company to transfer the shares held by the members to IE&PF without further notice. Kindly note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

21. Consequent upon the introduction of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules 2014, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13 (which will be made available on request) to the Registrar and Transfer Agents, M/s. Link Intime India Private Ltd.
22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified. Members are also advised to convert their physical holding, if any, into demat holding as soon as possible.
23. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are required to register their e-mail address for receiving all communications including Annual Report, notices etc. from the Company electronically.
24. Corporate members are encouraged to attend the AGM through their Authorized Representatives. They are requested to send by email, a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf in the Meeting.
25. The equity shares of the Company are listed on BSE Limited. The listing fee has been paid up to date.
26. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, and Secretarial Standards -2 issued by the Institute of Company Secretaries of India, the information about the Directors proposed to be re-appointed at the Annual General Meeting is given in the Annexure to this Notice.
27. Detailed instructions for remote E-voting and E-voting during the 35<sup>th</sup> AGM, both forming part of this Notice, are annexed.

#### INTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements), 2015 the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means, and business of the meeting would be transacted through remote e-voting, and also e-voting during the AGM.
- (ii) The members who have cast their vote by remote e-voting may also attend the AGM, but shall not be entitled to cast their vote again.
- (iii) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting, as well as e-voting system on the date of the AGM, will be provided by CDSL.
- (iv) The Board of Directors of the Company has appointed CS Shreyans Jain, Practicing Company Secretary (Membership no. :FCS 8519; C.P. No. : 9801), as Scrutinizer to scrutinize the e-voting process (both remote e-voting and during AGM) in a fair and transparent manner, and he has communicated his willingness to be appointed and will be available for same purpose.

Details instructions for the remote e-voting process is given below -

- (i) The voting period begins on Thursday, September 24, 2020 at 9.00 am and ends on Sunday, September 27, 2020 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the AGM.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.

- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company viz. ‘RISHIROOP LIMITED’ on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xx) Note for Non - Individual Shareholders and Custodians :

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@rishiroop.com](mailto:investor@rishiroop.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the Company on email address - [investor@rishiroop.com](mailto:investor@rishiroop.com) and also on the RTA email id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to the Company on email address - [investor@rishiroop.com](mailto:investor@rishiroop.com) and also on the RTA email id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, PAN number, email id, mobile number at :[investor@rishiroop.com](mailto:investor@rishiroop.com). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call helpline no. 1800225533.

All queries connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call helpline no. 1800225533.

### EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 4

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, at the 30<sup>th</sup> Annual General Meeting held on July 17, 2015, Ms. Vijyatta Jaiswal(DIN - 07131327) was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years, upto the conclusion of 35<sup>th</sup> Annual General Meeting of the Company. Since, Ms. Vijyatta Jaiswal will complete her initial term as an Independent Director of the Company, as per the provisions of Companies Act, 2013, she is eligible for re-appointment for one more term of 5 years.

Ms. Vijyatta Jaiswal, aged 45 years, is a fellow member of Institute of Chartered Accountants of India (ICAI) and has 21 years' experience in the field of Corporate Finance, Taxation, and Auditing. She is a member of the Audit Committee and Stake Holder Relationship Committee of the Company. As on March 31, 2020, she does not hold any shares of the Company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their separate meetings, both held on June 29, 2020, and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on her skills, rich experience, knowledge, continued valuable guidance to the management made by her during her tenure, the outcome of performance evaluation of the Independent Director wherein she has been rated 'EE-Exceeds Expectations' and also satisfaction of the criteria of independence, the approval of the Members of the Company be accorded for re-appointment of Ms. Vijyatta Jaiswal (DIN - 07131327) as an Independent Non-Executive Director of the Company for a second term of 5 (five) years from date of the 35<sup>th</sup> Annual General Meeting upto conclusion of the 40<sup>th</sup> Annual General Meeting of the Company in the calendar year 2025, and she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Ms. Vijyatta Jaiswal in respect of her eligibility for re-appointment as Independent Director for the second term and she has provided his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has also received a declaration from Ms. Vijyatta Jaiswal confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Vijyatta Jaiswal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

The Board considers that her continued association would be of immense benefit to the Company and, therefore, recommends the resolution for re-appointment of Ms. Vijyatta Jaiswal (DIN - 07131327) as an Independent Non-Executive Director of the Company for a second term of 5 (five) years from date of the 35<sup>th</sup> Annual General Meeting up to conclusion of the 40<sup>th</sup> Annual General Meeting of the Company in the calendar year 2025, for approval by the members.

A copy of the draft letter for re-appointment of Ms. Vijyatta Jaiswal (DIN - 07131327) setting out the terms and conditions of re-appointment is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days, except Sundays and Holidays, at the Registered Office of the Company.

Disclosures under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except Ms. Vijyatta Jaiswal (DIN - 07131327), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 4. This Explanatory Statement may also be regarded as a disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

**Registered Office:**  
W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:

Name of Director	Mr. Arvind M. Kapoor	Mrs. Vijyatta Jaiswal
DIN	00002704	07131327
Date of Birth	20-01-1954	19-05-1975
Qualifications	M.S. Polymer Engg. USA, and B.Tech (IIT - Mumbai)	Fellow member of ICAI
Expertise in specific functional area	Chemical engineer with over 40 years of Industrial and Managerial experience.	21 years expertise in Corporate Finance, Taxation and Auditing
Date of first appointment on the Board of the Company	24-09-1984	26-03-2015
Terms & Conditions of re-appointment	Terms and Conditions of re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company website i.e. www.rishiroop.in	Terms and Conditions of re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company website i.e. www.rishiroop.in
Remuneration last drawn	Refer to report on Corporate Governance	Refer to report on Corporate Governance
Shareholding in the Company (on 31.03.2020)	270,000 shares	Nil
Number of Board Meetings attended during FY 2019-20	5 out of 5	5 out of 5
Names of other public limited companies in which directorships held	Nil	Nil
Membership/Chairmanship of Committees in other public limited companies in which he is director	Nil	Nil
Relationship with other Directors, and other Key Managerial Personnel of the Company	Father of Mr. Aditya A. Kapoor, Managing Director	Nil

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

**Registered Office:**  
W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors have pleasure in presenting their Thirty-Fifth Annual Report, together with the Audited Statement of Accounts for the financial year ended March 31, 2020.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

### FINANCIAL SUMMARY

The summarized financial results of the company for the year ended March 31, 2020 are presented below:

(Rs in Lacs)

Particulars	2019-2020	2018-2019
Sales and other income	4131.81	6299.18
<b>Profit / (Loss) before Depreciation, Finance Cost and Tax</b>	<b>(254.08)</b>	<b>921.83</b>
Less: Depreciation	53.76	45.08
Finance Cost	23.63	25.88
<b>Profit / (Loss) before Tax</b>	<b>(331.47)</b>	<b>850.87</b>
Less: Provision for Tax (Including Income Tax, Prior period tax)	2.44	202.00
Add: Deferred Tax	49.79	81.26
<b>Profit/(Loss) after Tax</b>	<b>(284.12)</b>	<b>730.14</b>
Add: Other Comprehensive Income	0.51	(3.01)
<b>Total Comprehensive Income carried to Other Equity</b>	<b>(283.62)</b>	<b>727.13</b>

### REVIEW OF OPERATIONS

Financial year 2019-20 was a period of significant external challenges. Weakening macroeconomic environment, sectoral liquidity tightening and slowdown both in automotive and other industrial segments weakened the demand for our products, coupled with softening of petroleum based commodity prices in the global markets put pressure on margins of our products.

Your Company's sales turnover was Rs. 4055.14 lacs in the year under review as compared to Rs. 6064.89 lacs in the previous year. Other income in the year under review was Rs. 76.67 lacs as compared to Rs. 234.29 lacs in previous year, primarily due to steep decline in value of the investment portfolio owing to a sharp fall in the Indian equity market in the last quarter of the financial year 2019-2020.

The Profit / (Loss) before tax (PBT) for the period under review has decreased from Rs. 850.87 lacs in the previous year to a loss of Rs. 331.47 lacs in current year.

### EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The COVID-19 pandemic has ravaged the economic foundations of trade and is forcing an unprecedented social, economic, and business response. It has fundamentally changed the way we live, work, and has made 'Work from Home', 'Social distancing', and 'Higher technology adoption' as the 'new normal'.

On March 24, 2020, Government of India ordered a nationwide lockdown initially for 21 days, which further got extended from time to time till May 31, 2020 to prevent community spread of COVID-19. The lockdown had significant impact on the Company's manufacturing and other operations resulting in interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities, stopping of trading activity etc. Due to this, your Company lost sizeable revenue.

In accordance with the orders issued by the Central, State government and local authorities, operations at the Nashik Plant of your Company was suspended from March 24, 2020 to May 11, 2020. Your Company resumed manufacturing operations from May 11, 2020 on single shift basis as per government directive after complying with all safety protocols, and hence, operating at about 50% capacity. Given the continued increase in COVID cases in Maharashtra, we expect that the process of normalization will take place by the first quarter of 2021.

## DIVIDEND

The Board of Directors of the Company in the Board Meeting held on February 24, 2020 declared an interim dividend @ 10% (Re. 1.00/- per share) on the equity shares of face value of Rs. 10/- each for the year ended March 31, 2020, out of the accumulated profits, resulting in dividend payout of Rs. 97.01 lakh for the financial year 2019-2020.

Given the scenario as explained in the foregoing paragraph, no further dividend is proposed for the financial year 2019-2020, and members are requested to confirm the payment of interim dividend @10% as the final dividend for the financial year 2019-2020.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In accordance with Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof, dividend amount of Rs. 457,817/- for the financial year 2011-12 which remained unclaimed / unpaid for a period of seven years has been transferred to the Investor Education and Protection Fund(IE&PF) during the year. Further, 14,750 shares pertaining to such unclaimed / unpaid dividend for financial year 2011-2012 have also been transferred to the IE&PF Authority as per the statutory provisions. Dividend amount of Rs. 171,540/- for the financial year 2018-19 and Rs. 157,700/- for financial year 2019-2020, in respect of the shares transferred to IE&PF Authority have also been transferred to the designated IE&PF bank account during the year.

Your Company has appointed the Company Secretary of the Company, Mr. Agnelo A. Fernandes, as the Nodal Officer under the aforesaid IE&PF Rules. Further details pertaining to IE&PF transfer are available on the IE&PF website : [www.iepf.gov.in](http://www.iepf.gov.in) and on the Company website on the following weblink - <http://www.rishiroop.in/investors/corporate-governance/downloads/>.

## DIRECTORS

In terms of the Articles of Association of the Company and the Companies Act, 2013, Mr. Arvind M. Kapoor (DIN: 00002704), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for reappointment.

Mr. Kapoor is M.S. (Polymer Engg.) USA and B.Tech., IIT - Mumbai, and has over 40 years of valuable Industrial and Managerial experience. He is a director on the board of 8 private limited/limited companies of the Group. Other than this, he does not hold any directorships and membership of any Committees of the Boards of Directors of any other companies, except Rishiroop Limited.

The Board considers that his continued association would be of immense benefit to the Company, and it is desirable to continue to avail services of Mr. Kapoor as non-executive Director. Accordingly, the Board of Directors recommends his reappointment as Director of the Company.

Members approval is also sought by way of Special Resolution for the re-appointment of Mrs. Vijyatta Jaiswal (DIN-07131327), independent director of the Company, for a second term of five (5) years from the 35<sup>th</sup> Annual General Meeting up to the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company in the calendar year 2025. Particulars relating to her appointment have been given in the Notice for the 35<sup>th</sup> Annual General Meeting and explanatory statement annexed thereto. The Board of Directors recommends her re-appointment as Independent Director of the Company for a second term of five years.

All the appointments of Directors of the Company are in compliance with the provisions of Section 164 of the Companies Act, 2013.

All Independent directors have given the declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013, and clause 16(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Corporation, fulfill the conditions of independence as specified in the Act and SEBI (LODR) Regulations, 2015 and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the said Act.

All Independent Directors of the Company have confirmed that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs ["IICA"] as prescribed by the Ministry of

Corporate Affairs under the relevant Rules, and that they would give the online proficiency self-assessment test conducted by IICA which is prescribed under the relevant Rules, as applicable, within the prescribed time period.

All Directors and senior management personnel have confirmed compliance with the Code of Conduct for Directors and senior management personnel.

The relevant details of the Directors, and their attendance at Board and Committee meetings are given in the Corporate Governance Report attached herewith.

### **ANNUAL EVALUATION OF THE BOARD**

The Independent Directors, during their separate meeting held on February 7, 2020, and the Board in its meeting also held on February 7, 2020, conducted a Formal Evaluation of the performance of the Chairman, Managing Director, Non-Executive Director, Independent Directors, the Board as a whole and also that of its Committees in accordance with the requirements of Sec.134(3)(p) of the Companies Act, 2013, and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made is summarized below:

1. Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman, draft parameterized feedback forms for evaluation of the Board, Independent Directors, Managing Director, Non-Executive Director and Chairman.
2. Independent Directors at a meeting without anyone from the non-independent directors and management person present, considered/evaluated the Board's performance, performance of the Chairman and other non-independent Directors.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the concerned director). Board also evaluated the fulfillment of independence criteria by the independent directors.

### **NUMBER OF MEETINGS OF THE BOARD**

The details of the number of meetings of the Board held during the financial year 2019-20 forms part of the Corporate Governance Report.

### **AUDIT COMMITTEE**

The details on the Audit Committee and its meetings during the financial year 2019-20 forms part of the Corporate Governance Report.

### **CORPORATE GOVERNANCE REPORT**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report with the Auditors' Certificate thereon are attached hereto and form part of this Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is attached hereto and forms part of this Report.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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

### **DEPOSITS**

During the year, your Company has not accepted deposits from the Shareholders and others, and has complied with the provisions of Section 73 of the Companies Act, 2013 and the Rules made thereunder.

### **SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANIES**

Your Company does not have any subsidiary, joint venture or associate companies. Therefore, Form AOC-1 is not annexed to this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT U/S 134(5) OF THE COMPANIES ACT, 2013**

Pursuant to the provisions of Section 134(5) of Companies Act, 2013, as amended, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- 1) In the preparation of the accounts for the financial year ended March 31,2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31,2020,and of the profit and loss of the Company for the year ended March 31,2020;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) The Directors have prepared the annual accounts for the financial year ended March 31,2020 on a going concern basis.
- 5) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- 6) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **STATUTORY AUDITORS**

Jayesh Dadia & Associates LLP, Chartered Accountants (Registration No.: 121142W/ W100122), were appointed as Statutory Auditors at the 32<sup>nd</sup>Annual General Meeting,till the conclusion of 37<sup>th</sup>Annual General Meeting of the Company (subject to ratification of the re-appointment by the members at every subsequent Annual General Meeting).

The Companies (Amendment) Act, 2017 under Section 40, which came into force on May 7, 2018, omitted first proviso to Section 139(1) of Companies Act, 2013, and thereby, dispensed with the requirement of ratification for re-appointment of statutory auditors at every annual general meeting. Further, in the 34<sup>th</sup> Annual General Meeting of the Company held on July 18, 2019, members passed a resolution dispensing with future ratification for re-appointment of statutory auditors upto the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company. In view of the same, no resolution for the re-appointment of Jayesh Dadia & Associates LLP, Chartered Accountants, as statutory auditors of the Company, is included in the Notice for the 35<sup>th</sup>Annual General Meeting.

As required under the provisions of Section 139(1) of the Act, the Company has received a written consent from Jayesh Dadia & Associates LLP, Chartered Accountants,for their re-appointment and a Certificate, to the effect that their re-appointment is in accordance with the Companies Act, 2013, and the Rules framed thereunder, and that they satisfy the criteria provided in Section 141 of the said Act.

The Auditors opinion given in the Independent Auditors' Report of Jayesh Dadia & Associates LLP for financial year 2019-2020 is unmodified, and there are no qualifications / reservations or adverse remarks in the Report. Further, the observations and comments given in the said Auditors' Report read together with the notes to the accounts are self-explanatory, and hence, do not call for any further explanation.

## **REPORTING OF FRAUDS**

Pursuant to the provisions of Section 134(3)(ca) of Companies Act, 2013, it is hereby confirmed that during the financial year 2019-20, there have been no frauds reported by the auditors.

## **SECRETARIAL AUDIT REPORT & SECRETARIAL COMPLIANCE REPORT**

As per requirement of the Companies Act, 2013 and Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, the Company had appointed DM & Associates Company Secretaries LLP as the Secretarial Auditor for financial year 2019-20, whose Secretarial Audit Report in Form MR-3 dated May 29, 2020 is attached separately to this Report. Further, pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Secretarial Compliance Report dated May 29, 2020,in the prescribed format, is also attached to this Report. The aforesaid Reports are self-explanatory, and do not call for any further

explanation.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the Notes to the financial statements.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year, your Company entered into related party transactions which were on arm's length basis and in the ordinary course of business. There are no material transactions with any related party as defined under Section 188 of the Act read with the Companies (Meeting of Board and its Powers), Rules, 2014.

All related party transactions have been approved by the Audit Committee of your Company and by the Board of Directors. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

Details of the related party disclosures and transactions are given in Note no. 35 to the financial statements. The related party transactions are all on arm's length, and there are no material contracts, arrangement or transactions, and hence, Form AOC-2 is not annexed to this Report.

#### **POLICY ON RELATED PARTY TRANSACTIONS OF THE COMPANY**

The policy on Related Party Transactions as approved by the Board is accessible on the Company website viz. <http://www.rishiroop.in/investors/corporate-governance/policies/>.

#### **RISK MANAGEMENT**

The Company is exposed to inherent uncertainties owing to the sectors in which it operates. The Company's Risk Management processes focus on ensuring that these risks are identified on a timely basis and addressed.

The Company has a policy on Risk Management, which is accessible on the Company website: <http://www.rishiroop.in/investors/corporate-governance/policies/>

#### **INSURANCE**

Your Company has taken appropriate insurance for all assets against foreseeable perils.

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Your Company has an adequate system of internal control commensurate with the size and the nature of its business, which ensures that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use, and removal.

The internal control system is supplemented by documented policies, guidelines, and procedures. The Company's internal auditors continuously monitors the effectiveness of the internal controls with a view to provide to the Audit Committee and the Board of Directors an independent, objective and reasonable assurance of the adequacy of the organization's internal controls and risk management procedures. The Internal Auditor submits detailed reports on quarterly basis to the Audit Committee and management. The Audit Committee reviews these reports with the executive management with a view to provide oversight of the internal control system.

Your Company is in compliance with the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Secretarial Standards approved by the Central Government. Your Company has framed and put into effect, several policies on important matters such as Nomination and Remuneration of directors and KMP, materiality of events/information, preservation of documents/archival policy etc., which provide robust guidance to the management in dealing with such matters to support internal control. Your Company reviews its policies, guidelines, and procedures of internal control on an ongoing basis in view of the ever-changing business environment.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Board shall have minimum 3 and maximum 15 directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a director on the Board. The Company shall have such persons on the Board who

complies with the requirements of the Companies Act, 2013, Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memorandum of Association and Articles of Association of the Company and all other statutory provisions and guidelines as may be applicable from time to time. Composition of the Board shall be in compliance with the requirements of Companies Act/SEBI Regulations. Except for the Managing Director, no other directors are paid remuneration, but are paid only sitting fees. The Managing Director is paid remuneration as approved by the Shareholders but is not paid any sitting fees. Managing Director, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMP) of the Company. All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct. Directors/ KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields.

A copy of the policy for remuneration to non-executive and independent directors is available on the website of the Company i.e [www.rishiroop.in](http://www.rishiroop.in) on the weblink :

<http://www.rishiroop.in/investors/corporate-governance/policies/>

### PARTICULARS OF EMPLOYEES AND REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014, the relevant details for financial year 2019-20 are given below:

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2019-20 are as under :

Sr. No.	Name of Director /KMP & designation	Remuneration of Directors/ KMP for FY 2019-20 (Rs. In lakhs)	% Increase/ (Decrease) in Remuneration for the FY 2019-20	Ratio of Remuneration of each Director to the median remuneration of employee
1	Mr. Arvind M. Kapoor, Director	2.00	100.00	0.63
2	Mr. Aditya A. Kapoor, Managing Director	64.96	18.97	20.36
3	Mr. Dilipkumar P. Shah, Independent Director	1.65	22.22	0.52
4	Mr. Hemant D. Vakil, Independent Director	1.75	20.69	0.55
5	Ms. Vijyatta Jaiswal, Independent Director	1.85	42.31	0.58
6	Mr. Atul R. Shah, Non-Executive Director	1.20	14.29	0.38
7	Mr. Suresh Khilnani, Chief Financial Officer	19.78	13.03	Not applicable
8	Mr. Agnelo Fernandes, Company Secretary	18.02	14.27	Not applicable

- (ii) In the financial year, there was a decrease of 7.80% in the median remuneration of the employees.

- (iii) There were 39 permanent employees on the rolls of your Company as on March 31, 2020.

- (iv) Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 7.31%, whereas, increase in the managerial remuneration for the same financial year was 13.25%. Managerial remuneration paid during the financial year 2019-20 was as per the provisions of the Companies Act, 2013 and the Remuneration Policy of your Company.

(v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of your Company.

During the financial year 2019-20, there are no employees whose remuneration was falling under remuneration as prescribed under Sec 197(12) of Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, as per Sec 197(12) of Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the aforesaid Rules, the Statement containing names and details of the top ten employees in terms of remuneration drawn during the financial year 2019-20 forms part of this report. This Report is sent to the members excluding the aforesaid Statement. This Statement is open for inspection at the Registered Office of the Company during working hours, and any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'A' to this Report.

### **ESTABLISHMENT OF VIGIL MECHANISM**

The Company has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in force. The policy was approved on February 13, 2015. This Policy inter alia provides a direct access to a Whistle Blower to the Chairman of Audit Committee on his dedicated email-ID : [auditcommittee@rishiroop.com](mailto:auditcommittee@rishiroop.com). The Whistle Blower Policy covering all employees and directors is hosted on the Company's website at URL - <http://www.rishiroop.in/investors/corporate-governance/policies/>

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Sexual Harassment Prevention Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

All employees are covered under the said Policy. Following is a summary of sexual harassment complaints received and disposed off during the year:

- No. of complaints received: Nil
- No. of complaints disposed : Nil
- No. of complaints pending: Nil

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Details of the familiarization program for Independent Directors is accessible on the Company website at <http://www.rishiroop.in/investors/corporate-governance/policies/>

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 of the Companies Act, 2013 and the relevant Rules, the Board constituted the CSR Committee under the Chairmanship of Mr. Arvind M. Kapoor. The other members of the Committee are Mr. Aditya Kapoor, Mr. Hemant Vakil and Mr. Atul Shah. A detailed CSR policy has also been framed which is placed on the company's website: <http://www.rishiroop.in/investors/corporate-governance/policies/>. The report on CSR as required under Section 135 of the Companies Act, 2013 is given in Annexure 'B' to this Report.

### **ANNUAL RETURN**

An extract of the Annual Return i.e. Form No. MGT-9, as of March 31, 2020, pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013, is given in Annexure 'C' to this Report. A copy of the Annual Return is also available on the website of the Company i.e. [www.rishiroop.in](http://www.rishiroop.in) on the weblink - <http://www.rishiroop.in/investors/corporate-governance/downloads/>.

## SECRETARIAL STANDARDS

The Directors confirm that the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, which have been approved by the Central Government have been duly followed by your Company.

## MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

## POLICIES

During the year under review, the Board of Directors of the Company has amended the Code for fair disclosure of Unpublished Price Sensitive Information and the Code of Conduct for regulating, monitoring and reporting of Trading by Insiders to comply with the recent amendments in the SEBI Regulations. Accordingly, the updated policies are uploaded on website of the Company at <https://www.rishiroop.in/investors/corporate-governance/policies/>.

## UPDATION OF EMAIL IDS FOR RECEIVING NOTICES / DOCUMENTS IN ELECTRONIC MODE

Shareholders who have not registered their email addresses with the Company are requested to register their email addresses with the Company to enable the Company to deliver notices /documents through e-mode. Shareholders holding their shares in demat mode also have an option to register their email addresses with their depository, through their depository participant.

## ACKNOWLEDGEMENTS

The Board of Directors express their appreciation for the sincere co-operation and assistance of Government Authorities, Bankers, Customers, Suppliers, Business Associates and the efforts put in by all the employees of the Company. The Board of Directors expresses their gratitude to all our valued shareholders for their confidence and continued support to the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

**Registered Office:**  
W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

**ANNEXURE 'A'**

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 134(3)(m) OF COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

**A. CONSERVATION OF ENERGY**

## (i) Steps taken or impact on conservation of energy

The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process.

## (ii) The steps taken by the company for utilizing alternate sources of energy - Nil

## (iii) The capital investment on energy conservation investments - Nil

**B. TECHNOLOGY ABSORPTION**

## (i) The Company has developed in house technologies for the manufacture of various grades of polymer blends for different applications.

## (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

The Company has improved the quality of final product on par with the international standards.

## (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

## (a) Details of technology imported

## (b) The year of import

## (c) Whether the technology been fully absorbed

## (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof

There was no import of technology during the year.

## (iv) The expenditure incurred on R &amp; D

No system of separate maintenance of accounts has been developed yet. The expenditure is merged with various other heads of expenses.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of foreign exchange earnings and outgo during the year under review has been summarized below:

(Rs. In Lacs)

	2019-2020	2018-2019
<b>1. FOREIGN EXCHANGE EARNINGS</b>		
Foreign Exchange Earnings during the year	802.30	1228.50
<b>2. FOREIGN EXCHANGE OUTGO</b>		
Value of Imports calculated on CIF basis		
Imported Material	2680.55	3824.36
Repair and Maintenance - Machinery	0.72	1.67
Foreign Travelling Expenses	3.90	2.33

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

**Registered Office:**  
W-75(A) & W-76(A)  
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## ANNEXURE 'B'

### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The objective of undertaking Corporate Social Responsibility (CSR) is to assist that the weaker sections of society. Promoting education and health care are the priority areas identified by your Company for its CSR activities.

Your Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the company's website (Web link : <http://www.rishiroop.in/investors/corporate-governance/policies/> )

2. Composition of the CSR Committee:

Mr. Arvind Mahendra Kapoor (Non-Executive Promoter Director)

Mr. Aditya Arvind Kapoor (Managing Director)

Mr. Hemant Vakil (Independent Director)

Mr. Atul Shah (Non-Executive Director)

3. Average net profit of the company for last three financial years:

Average net profit: Rs. 6,90,91,691/-

4. Prescribed CSR Expenditure :

The Company, having met the net profit criteria stipulated under Section 135(1) of the Companies Act, 2013 during the immediately preceding financial year 2018-19, is required to spend Rs.13,81,834/- (being two percent of the average net profit of Company during the three immediately preceding financial years) towards CSR activities, as per the CSR Policy of the Company, during the financial year 2019-20.

5. Details of CSR spend for the financial year :

- a. Total amount spent for the financial year : Rs. 13,90,776/- (in addition, Rs. 1,05,875/- being balance of previous FY also spent).
- b. Amount unspent for FY, if any: Nil
- c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project (or) Activities Identified	Sector in which Project is located	Project (or) Programs- Local area or other	Amount outlay (Budget) Project (Rs.)	Amount Spent on the Project (or) Programs (Direct and Overheads) (Rs.)	Cumulative Expenditure upto reporting period (Rs.)	Amount spent : Direct (or) through implementing agency
1	Major renovation and repair work of school building and toilet block for the Zilla Parishad Primary School located in Chandwad District, Nashik	Promoting Education Clause (ii)	Local area- Nashik, Chandwad District., Maharashtra	14,96,694/-	4,05,665/- during FY  (10,87,350/ in previous FY)	14,93,015/-	Direct
2	Purchase of computers, welding equipment and looms for skill development of deaf and dumb students, and also, purchase of beds for girls hostel in Samtha Pratishthan, Yeola, Nashik	Promoting Education Clause (ii)	Local area- Nashik, Yeola District., Maharashtra	12,00,000/-	10,90,985/-	10,90,985/-	Direct

6. In case if the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :

Not applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives and Policy of the Company

The Responsibility Statement of the Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors of your Company is reproduced below :

“The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR Objectives and Policy of your Company.”

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Aditya A. Kapoor  
Managing Director  
DIN : 00003019

Arvind Mahendra Kapoor  
Chairman, CSR Committee  
DIN : 00002704

**Registered Office:**

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MIDC Industrial Area  
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CIN - L25200MH1984PLC034093

**ANNEXURE 'C'**
**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**
**(As on financial year ended on 31.03.2020)**
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]**
**I. REGISTRATION & OTHER DETAILS:**

CIN	L25200MH1984PLC034093
Registration Date	24.09.1984
Name of the Company	Rishiroop Limited (erstwhile Puneet Resins Limited)
Category/Sub-category of the Company	Company having Share Capital
Address of the Registered office & contact details	W-75(A) & W-76(A), MIDC Industrial Area, Satpur, Nashik - 422007 Ph : 0253 - 2350042
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Synthetic Rubbers	46694	56.48
2	NBR PVC blend	22199	29.40

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding, Subsidiary and Associate Companies	% of shares held	Applicable Section
Nil					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	840755	-	840755	8.67	896837	-	896837	9.24	0.57
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5999100	-	5999100	61.84	5999100	-	5999100	61.84	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter (A)	6839855		6839855	70.51	6895937		6895937	71.08	0.57
(2) Foreign	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	11700	11700	0.12	-	11700	11700	0.12	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	1000	-	1000	0.01	1000	-	1000	0.01	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1000	11700	12700	0.13	1000	11700	12700	0.13	-
2. Non-Institutions									
a) Bodies Corporate	215492	40300	255792	2.64	219174	31900	251074	2.59	(0.05)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	1336523	300635	1637158	16.88	1299826	262875	1562701	16.11	(0.77)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	621502	-	621502	6.41	659348	-	659348	6.80	0.39
c) Others (specify)									
IEPF	142950	-	142950	1.47	157700	-	157700	1.63	0.16
Directors	160	-	160	0.00	160	-	160	0.00	-
Non Resident Indians	35920	-	35920	0.37	40268	-	40268	0.42	0.05
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	30062	-	30062	0.31	6121	-	6121	0.06	(0.25)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
HUF	125189	-	125189	1.29	115279	-	115279	1.19	(0.10)
Sub-total (B)(2):-	2507798	340935	2848733	29.36	2497876	294775	2792651	28.79	(0.57)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2508798	352635	2861433	29.49	2498876	306475	2805351	28.92	(0.57)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9348653	352635	9701288	100.00	9394813	306475	9701288	100.00	0.00

**ii) Shareholding of Promoters-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Rishiroop Polymers Pvt Ltd	2875000	29.64	-	2875000	29.64	-	-
2.	Rishiroop Holding Pvt Ltd	2160000	22.27	-	2160000	22.27	-	-
3.	Rishiroop Investments & Trading Co. Pvt Ltd	598500	6.17	-	598500	6.17	-	-
4.	Devi Organics Pvt Ltd	365600	3.77	-	365600	3.77	-	-
5.	Arvind M. Kapoor	270000	2.78	-	270000	2.78	-	-
6.	Gouri Arvind Kapoor	198000	2.04	-	231297	2.38	-	0.34
7.	Aditya A. Kapoor	220100	2.27	-	220100	2.27	-	-
8.	Shradha V. Khanna	142400	1.47	-	155440	1.60	-	0.13
9.	Radhika Kapoor	10255	0.11	-	20000	0.21	-	0.10
	Total	6839855	70.51	-	6895937	71.08	-	0.57

**iii) Change in Promoters' Shareholding (please specify, if there is no change) along with date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons.**

SN	Particulars	Shareholding at the beginning of the year		Increase/ (Decrease)	Date	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Rishiroop Holding Pvt. Ltd.	2875000	29.64	No change	--	--	2875000	29.64
2.	Rishiroop Polymers Pvt Ltd	2160000	22.27	No change	--	--	2160000	22.27
3.	Rishiroop Investments & Trading Co. Pvt. Ltd.	598500	6.17	No change	--	--	598500	6.17
4.	Devi Organics Pvt Ltd	365600	3.77	No change	--	--	365600	3.77
5.	Arvind M. Kapoor	270000	2.78	No change	--	--	270000	2.78
6.	Gouri Arvind Kapoor	198000	2.04	33297	03-12-2019	Received Gift	198000 231297	2.04 2.38
7.	Aditya A. Kapoor	220100	2.27	No change	--	--	220100	2.27
8.	Shradha V. Khanna	142400	1.47	2000 3000 3040 5000	17-02-2020 18-02-2020 02-03-2020 24-03-2020	Acquisition Acquisition Acquisition Acquisition	144400 147400 150440 155440	1.49 1.52 1.55 1.60
9.	Radhika Kapoor	10255	0.05	4745 1471 793 279 79 325 2000 53	22-08-2019 30-09-2019 19-11-2019 20-11-2019 22-11-2019 11-12-2019 27-12-2019 31-12-2019	Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition	15000 16471 17264 17543 17622 17947 19947 20000	0.15 0.17 0.18 0.18 0.18 0.18 0.21 0.21

## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (Increase/Decrease)	Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	No. of shares	% of total shares of the company
1.	Rajiv Garg	145257	1.4973	29263	174520	1.7989
2.	Investor Education and Protection Fund Authority	142950	1.4838	14750	157700	1.6256
3.	Gaurav Garg	137500	1.4173	7441	144941	1.494
4.	Nuvistas Consultants Pvt. Ltd.	108839	1.1219	No change	108839	1.1219
5.	Rohan Anirudha Seolekar	25887	0.2668	36939	62826	0.6476
6.	M.M. Khanna	62155	0.6407	No change	62155	0.6407
7.	Parekh Hetal Jaswantra	60000	0.6185	No change	60000	0.6185
8.	Sangeetha S	0	0.0000	55690	55690	0.574
9.	Rajeev Kataruka	36687	0.3782	No change	36687	0.3782
10.	Nirvi Ketan Vakharia	34594	0.3566	No change	34594	0.3566

## v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding (Increase/Decrease)	Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	No. of shares	% of total shares of the company
1	Aditya A. Kapoor	220100	2.27	No change	220100	2.27
2	Arvind M. Kapoor	270000	2.78	No change	270000	2.78
3	Dilipkumar P. Shah	0	0.00	No change	0	0.00
4	Hemant Vakil	60	0.00	No change	60	0.00
5	Vijyatta Jaiswal	0	0.00	No change	0	0.00
6	Atul Shah	100	0.00	No change	100	0.00
7	Suresh Khilnani	1300	0.01	No change	1300	0.01
8	Agnelo Fernandes	100	0.00	No change	100	0.00

**V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager (in Rs.):**

S.N.	Particulars of Remuneration	Aditya A. Kapoor	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000/-	36,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,96,376/-	28,96,376/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	64,96,376/-*	64,96,376*
	Ceiling as per Schedule V of the Companies Act, 2013.	120,00,000/-**	

\* Includes employers' contribution to PF. \*\* Special resolution passed in 34<sup>th</sup> AGM of the Company.

**B. Remuneration to other directors (in Rs.)**

S. N.	Particulars of Remuneration	Name of Director			Total Amount (In Rs.)
1	Independent Directors	Hemant Vakil	Dilip P. Shah	Vijyatta Jaiswal	
	Fee for attending board / committee meetings	1,75,000	1,65,000	1,85,000	5,25,000
	Commission	-	-	-	-
	Total (B1)	1,75,000	1,65,000	1,85,000	5,25,000

S. N.	Particulars of Remuneration	Name of Director		Total Amount (In Rs.)
		Arvind M. Kapoor	Atul R. Shah	
2	Other Non-Executive Directors			
	Fee for attending board/ committee meetings Overall Ceiling (Rs.1 Lakh per meeting)	2,00,000	1,20,000	3,20,000
	Commission	-	-	-
	Total (B2)	2,00,000	1,20,000	3,20,000
	Total (B)=(B1+B2)			8,45,000
	Total Managerial Remuneration (A+B)			73,41,376

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (In Rs.)

S. N.	Particulars of Remuneration	Key Managerial Personnel		
		Suresh Khilnani, CFO	Agnelo Fernandes, CS	Total (Rs.)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,78,453/-	18,02,520/-	37,80,973/-
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	19,78,453/-	18,02,520/-	37,80,973/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment, compounding of offences for the year ended March 31, 2020.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

**Registered Office:**  
W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE

The rubber industry is one of the key sectors of the Indian economy. India is the fourth largest producer of natural rubber and the third largest consumer of the polymer. As far as consumption of natural and synthetic rubber together is concerned, the country occupies the fourth position.

Your company is in the business of manufacturing of polymer blends consumed mainly by the medium and small scale sector which accounts for over 50% of production of rubber goods in non-tyre industrial products. The polymer blends are used in the manufacture of petrol hoses, LPG tubing, O-rings, seals & gaskets, printing & textile rollers, cable sheathing, automotive components, etc. Polymer compounding is the science of developing rubber mixtures with suitable raw materials and their doses to achieve optimal processing and performance in the end rubber product. It is a critical intermediate product for the medium and small unit making various rubber products.

Besides Polymer blends, the Company also sells other complimentary products sourced from abroad.

Due to fragmented structure of the user industry the market is highly price competitive.

### ECONOMY AND MARKETS

India Economy Trends :

Indian economic growth rate is projected to decelerate to a 11-year low of five per cent in 2019-20 mainly due to poor showing by manufacturing and construction sectors. Indian economy has been effected by a sharper-than-expected slowdown in economies, a re-escalation of regional geopolitical tensions, and a setback in reforms to address impaired balance sheets in the financial and corporate sectors.

The Gross Domestic Product (GDP) data released by the statistics department showed that India's economy slowed to 3.1% in Q4 of 2019-20. While during 2019-20 period, the economy grew at 4.2% compared to 6.1% in 2018-19.

During the year under review, due to stagnation in industrial segments using rubber, there was slack demand for the Company products.

### FINANCE AND ACCOUNTS

The following financial review is intended to convey the management's perspective on the financial performance of the company at the end of the financial year 2019-20.

The financial statements have been prepared in compliance with the requirements to the Companies Act, 2013 and generally accepted Accounting Principles in India.

### FINANCIAL PERFORMANCE

Profit/(Loss) before taxation (PBT) for the current financial year 2019-20 is Rs. (331.47) lacs as compared to Rs. 850.87 lacs for the previous year. During the year, Company has accounted for a notional loss on fair value of Investments of Rs. (449.74) lacs, which has arisen mainly because of fluctuation in value of the investment portfolio on account of collapse of the Indian stock market in last quarter of financial year 2019-20. Fixed Assets viz. Property, Plant and Equipment were valued at Rs. 185.00 lacs at the end of the financial year. Total inventories reduced from Rs. 1237.58 lacs to Rs. 1139.85 lacs. Other income in the year under review was Rs. 76.67 lacs as compared to Rs. 234.29 lacs

### OPPORTUNITIES AND THREATS

The Company is continuing to customize and promote its new grades of polymer blends to meet the requirements of domestic and international markets.

There is intense competition and prices of raw materials continue to be volatile in view of the global situation. Foreign exchange management during the current scenario is critical, as the company imports significant portion of its raw material requirements.

## OUTLOOK

It is expected that due to measures announced by Government and Reserve Bank of India, the industries may be on revival path due to local potential demand and also depending on how soon the COVID pandemic is curtailed. The time line is uncertain at present but in the long run industries and economy are expected to bounce back.

## RISKS AND CONCERNS

The price of Synthetic rubber and other raw materials have been quite volatile during the period under review. Further, future economic uncertainty may impact demand and margins for the Company's products. Also surplus synthetic rubber (SR) production capacity in the country, continues to be one of the main challenges facing the SR industry.

## INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal control commensurate with the size and the nature of its business, which ensures that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use, and removal.

The internal control system is supplemented by documented policies, guidelines, and procedures. The Company's internal auditors continuously monitors the effectiveness of the internal controls with a view to provide to the Audit Committee and the Board of Directors an independent, objective and reasonable assurance of the adequacy of the organization's internal controls and risk management procedures. The Internal Auditor submits detailed reports on quarterly basis to the Audit Committee and management. The Audit Committee reviews these reports with the executive management with a view to provide oversight of the internal control system.

The Company reviews its policies, guidelines, and procedures of internal control on an ongoing basis in view of the ever changing business environment.

## SEGMENT

The primary segment that your Company operates in is Polymers and Polymer Compounds, and their related products.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATION FRONT

The Company is maintaining good relations with its employees and currently employs about 39 employees in all categories. The Company values and understands the need for continuous growth and development of its people in order to have greater productivity and provide job satisfaction and also equip them to meet growing organizational challenges. Your Company has genuine concern and top priority for safety and welfare of its employees.

## INFORMATION TECHNOLOGY

Information Technology has become inevitable and integral to strategic planning and efficient management of operations. Your Company continues to strategically invest in Information Technology looking at it as vital to business growth.

## DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr. No.	Key Financial Ratios	2019-2020	2018-2019	Variance	Variance %	Detailed Comments
i	Debtors Turnover	4.70	6.72	(2.02)	(30.00)	It has decreased due to more credit period to customers due to depressed market conditions.
ii	Inventory Turnover	3.25	3.60	(0.35)	(9.70)	It has decreased due to lower sales compared to last year
iii	Interest Coverage Ratio	-	-	-	-	-

Sr. No.	Key Financial Ratios	2019-2020	2018-2019	Variance	Variance %	Detailed Comments
iv	Current Ratio	4.31	4.08	0.23	5.60	Current ratio has increased due to increase in investment of liquid mutual funds
v	Debt Equity Ratio	-	-	-	-	-
vi	Operating Profit Margin (%)	1.03	10.41	(9.38)	(90.11)	Company operating margins (excluding notional loss on investments and other income) have been affected during the current year mainly due to volatility in the prices of material and depressed market conditions.
vii	Net Profit Margin (%)	(6.88)	11.59	(18.47)	(159.36)	Company Net profit margin affected mainly due to notional loss on fair value of Investments.
viii	Return on Networth (%)	(4.63)	10.92	(15.55)	(142.40)	Return on net worth was adversely affected due to impact of lower operating profit margin and notional loss on fair value of investments

## CORPORATE GOVERNANCE

Your Company is in compliance with the governance requirements provided under the Companies Act, 2013, the aforesaid Companies (Amendment) Act, SEBI (Listing Agreement and Disclosure Requirement) Regulation, 2015, the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

The Company has in place all the statutory committees as required by the law. Details of Committees are given in the Corporate Governance Report.

The policies framed and adopted by the Company in compliance with statutory requirements are available on the website of the Company <http://www.rishiroop.in/investors/corporate-governance/policies/>

The SEBI (Listing Agreement and Disclosure Requirement) Regulations, 2015 also provided for formulating the Code of Conduct for members of the Board and Senior Management, Codes of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by its employees and other connected persons. Your Company has formulated the above codes and abided with the regulations.

**STATUTORY COMPLIANCE**

A declaration is made at the Board Meetings regarding Compliance with provisions of various statutes after obtaining confirmation from all the units of the Company. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

**Registered Office:**  
W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

## CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance is given below:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to good Corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The basic philosophy of Corporate Governance is the creation and enhancing of long-term sustainable values for the stakeholders through ethically driven business process.

Your Company has a strong history of operating with integrity and transparency in all dealings. Effective control and management of organization and investor friendly attitude towards shareholders has been the basic objective of the corporate governance of the Company.

### 2. BOARD OF DIRECTORS

The Board of Directors ('the Board') of your Company comprises of the optimum combination of Executive and Non - Executive Directors to maintain the independence of the Board and separate its functions of governance and management. The Board is at the core of your Company's corporate governance practice and oversees how the Management serves and protects the long-term interests of all stakeholders.

Composition: The Board, as on March 31, 2020, consists of 6 directors, comprising of 5 Non-Executive Directors, and 1 Executive Director. The composition of the Board of Directors is given below:

Name of Director	Category of Director	No. of other Directorships held@	Committee Membership / Chairmanship of Board Committees in other companies@@	Relationship with other Director
Mr. Arvind M. Kapoor	Non- Executive, Promoter Director	Nil	Nil	Father of Mr. Aditya Kapoor
Mr. Dilipkumar P. Shah	Non-Executive, Independent Director	Nil	Nil	N.A
Mrs. Vijyatta Jaiswal	Non-Executive, Independent Director	Nil	Nil	N.A
Mr. Aditya A. Kapoor	Executive, Promoter Director	Nil	Nil	Son of Mr. Arvind Kapoor
Mr. Hemant D. Vakil	Non-Executive, Independent Director	Nil	Nil	N.A
Mr. Atul R. Shah	Non- Executive, Director	Nil	Nil	N.A

Notes: @Directorship held by directors as mentioned above, excludes directorship in Rishiroop Limited and also excludes directorships in Private limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

@@Committees considered are Audit Committee and Stakeholders Relationship Committee, and excludes committees of Rishiroop Limited.

None of the Directors of Rishiroop Limited is a member in more than 10 committees or Chairman of more than 5 committees across all companies in which he is a director. Further, none of the Directors of Rishiroop Limited are directors in any listed entities, and therefore, details pertaining to such directorship are not disclosed.

**Board Meetings and Attendance:** Five Board Meetings were held during the period from April 1, 2019 to March 31, 2020 on the following dates: May 11, 2019, August 13, 2019, November 14, 2019, February 7, 2020 and February 24, 2020. The Director's attendance at the Board Meetings during the period and at the last Annual General Meeting is given below:

Name of Director	No. of Board Meetings Attended	Attendance at last AGM
Mr. Arvind M. Kapoor	5	Yes
Mr. Dilipkumar P. Shah	5	Yes
Mr. Aditya A. Kapoor	4	Yes
Mr. Hemant D. Vakil	5	No
Mrs. VijyattaJaiswal	5	Yes
Mr. Atul R. Shah	5	Yes

The web link disclosing details of familiarization program imparted to independent directors is [www.rishiroop.in/investors/corporate-governance/policies/](http://www.rishiroop.in/investors/corporate-governance/policies/).

### 3. AUDIT COMMITTEE

The Audit Committee was originally constituted by the Board of Directors at its Meeting held on June 22, 2001 and last reconstituted by the Board of Directors at its meeting held on August 1, 2015. The members of the Committee are Mr. Dilipkumar P. Shah (Chairman), Mr. Hemant D. Vakil, Mr. Arvind M. Kapoor and Mrs. VijyattaJaiswal. Mr. Agnelo Fernandes, Company Secretary, is the Secretary to the Committee.

The Committee held five meetings during the year 2019-2020. The Audit Committee Meetings were held on the following dates : May 11, 2019, August 13, 2019, November 14, 2019, February 7, 2020 and February 24, 2020. The Managing Director, Statutory Auditors, Internal Auditors, Chief Financial Officer (C.F.O.) and Company Secretary also attended the meetings of the Audit Committee. The attendance of members was as under:

Members	Meetings held	Meetings Attended
Mr. Dilipkumar P. Shah	5	5
Mr. Arvind M. Kapoor	5	5
Mr. Hemant D. Vakil	5	5
Mrs. VijyattaJaiswal	5	5

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee oversees Company's financial process, internal control system and review of quarterly, half-yearly and yearly statements. The Committee has powers to investigate any activity within its terms of reference, seek information, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise. The Committee is further authorized to select and recommend accounting policies, review reports of the Statutory and Internal Auditors and discuss their observations, suggestions and other related matters.

The terms of reference of the Audit Committee are in accordance with the Companies Act, 2013 (as amended by Companies (Amendment) Act, 2017) and the items as specified in Part C of Schedule II of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, which inter-alia, include the following:

#### Audit and Financial Reporting:

- To recommend appointment, remuneration and the terms of appointment of Auditors of the Company;
- To review and monitor auditor's independence, performance and effectiveness of audit process;
- Oversight of the company's financial reporting process and the disclosure of its financial information;
- Examination of the financial statement (including quarterly financial statements) and auditor's report thereon to ensure that the financial statement is correct, sufficient and credible;

- Reviewing with the management, and Key Managerial Personnel, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with reference to :
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by Management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
    - a. disclosure of any related party transactions;
    - b. modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

#### Internal Controls:

- To evaluate internal financial controls in consultation with the Statutory Auditors and the Internal Auditors;
- To review with the management, performance of Statutory and Internal auditors, adequacy of internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

#### Review/Approval of Transactions:

- To scrutinize inter-corporate loans and investments;
- To approve the Related Party Transactions (RPT) including omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- To approve any subsequent modifications of transactions of the Company with related parties;
- To make recommendations to the Board as regards financial transactions in accordance with the provisions of Companies Act, 2013 (as amended).

#### Review of Other Information:

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and

- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- Statement of deviations, if any:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange in terms of Regulation 32(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
  - b. Annual statement of funds utilized for purpose other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of aforesaid Regulations.

#### Whistle Blower and Vigil Mechanism:

- The committee shall establish and review the functioning of the whistle blower and vigil mechanism to provide adequate safeguards against victimization of employees and directors and also provide for direct access to the Chairperson of the Audit Committee.

#### Other terms:

- To consider, whenever necessary valuation of assets or undertaking of the Company;
- To look into the reasons for substantial defaults, if any, in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Evaluation of the risk management system prevailing in the company;
- To approve appointment of the CFO after assessing the qualifications, experience and background of the Candidate;
- To carry out such other function as may be assigned by the Board of Directors from time to time.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Committee was last reconstituted by the Board of Directors at its meeting held on August 1, 2015. Members of the Committee are Mr. Hemant D. Vakil (Chairman), Mr. Dilipkumar P. Shah and Mr. Arvind M. Kapoor. Mr. Agnelo Fernandes, Company Secretary, is the Secretary to the Committee. The Committee held two meetings during the year 2019-2020 on May 11, 2019 and February 7, 2020. The attendance of members was as under:

Members	Meetings held	Meetings Attended
Mr. Hemant D. Vakil	2	2
Mr. Dilipkumar P. Shah	2	2
Mr. Arvind M. Kapoor	2	2

The terms of reference of the Nomination and Remuneration Committee are in accordance with the Companies Act, 2013 (as amended by Companies (Amendment) Act, 2017) and the items as specified in Part D of Schedule II of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (as amended by SEBI (LODR) (Amendment) Regulations, 2018), which inter-alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the Board their appointment and removal if necessary, and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;

- Devising a policy on diversity of Board of Directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) & 19 read with Part D of Schedule II to the SEBI (LODR) Regulations 2015, the Board carried out an evaluation of the Directors as well as the evaluation of the Board and its Committees. The process was carried out by circulating evaluation forms at the Committee/Board meeting held on February 7, 2020.

## 5. REMUNERATION POLICY

The remuneration policy of the Company is performance driven and is designed to motivate employees, recognize their achievements and promote excellence in performance.

### a) For Executive Director

Payment of remuneration to the Executive Director is governed by the terms of appointment approved by the Board of Directors and the Members in terms of Sec 197, 198 and Schedule V to the Companies Act, 2013. His remuneration structure comprises of salary, perquisites, allowances and contribution to provident fund, and commission, if any. No stock options have been issued by the Company. Notice period as per the terms and conditions of appointment is three months or gross salary in lieu thereof.

Remuneration paid to Executive Director during 2019-2020 :

The remuneration paid to Mr. Aditya A. Kapoor, Managing Director of the Company during the year ended March 31, 2020 is as under:

Name	Salary (Rs.)	Perquisites and allowances (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Aditya A. Kapoor	36,00,000/-	28,96,376/-	-	64,96,376/-*

\* includes company contribution to PF.

### b) For Non-Executive Directors

Non-Executive Directors are paid sitting fees for each meeting attended by them and commission, if any payable. Sitting fees paid to Non- Executive Directors for the year ended March 31, 2020 is as under:

Director's name	Sitting fees paid to Directors of Rishiroop Limited (Rs.)		
	Board Meetings	Committee Meetings	Total
Mr. Arvind M. Kapoor	75,000/-	125,000/-	2,00,000/-
Mr. Dilipkumar P. Shah	75,000/-	90,000/-	1,65,000/-
Mr. Hemant D. Vakil	75,000/-	100,000/-	1,75,000/-
Mrs. VijyattaJaiswal	75,000/-	110,000/-	1,85,000/-
Mr. Atul R. Shah	75,000/-	45,000/-	1,20,000/-

No commission has been paid during the financial year ended March 31, 2020.

As on March 31, 2020, the Non-Executive Directors held equity shares of the Company as follows:

Name of Directors	Number of Equity shares held
Mr. Arvind M. Kapoor	2,70,000
Mr. Dilipkumar P. Shah	Nil
Mrs. VijyattaJaiswal	Nil
Mr. Hemant D. Vakil	60
Mr. Atul R. Shah	100

As on March 31, 2020, the Executive Director held equity shares of the Company as follows:

Mr. Aditya A. Kapoor	2,20,100
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## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee was last reconstituted by the Board of Directors at its meeting held on February 2, 2019 and members of the Committee are Mr. Arvind M. Kapoor (Chairman), Mr. Aditya A. Kapoor, Mr. Atul R. Shah and Mrs. Vijyatta Jaiswal. Mr. Agnelo Fernandes, Company Secretary, is designated Compliance Officer and the Secretary to the Committee. The Committee held seven meetings during the year 2019-2020: on May 11, 2019, May 18, 2019, June 14, 2019, July 22, 2019, August 13, 2019, August 21, 2019, and November 20, 2019. The attendance of members was as under:

Members	Meetings held	Meetings Attended
Mr. Arvind M. Kapoor	7	6
Mr. Aditya A. Kapoor	7	5
Mr. Atul R. Shah	7	7
Mrs. Vijyatta Jaiswal	7	6

The role of the committee inter-alia include the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Company has designated an e-mail id "investor@rishiroop.com" exclusively for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the company's website i.e., [www.rishiroop.in](http://www.rishiroop.in).

None of the complaints/request/letters/queries, which were received from the shareholders, is pending and all have been attended to/resolved within the prescribed period.

Number of Investor Complaints received during the year : 1

Number of Investor Complaints resolved during the year : 1

Number of pending Investor Complaints : 0

The investors' complaint/grievances received by the Company were immediately escalated to the top management, and steps are taken to resolve the same at the earliest.

## 7. GENERAL BODY MEETINGS

(i) The last three Annual General Meetings were held as under:

Meeting	34 <sup>th</sup> Annual General Meeting	33 <sup>rd</sup> Annual General Meeting	32 <sup>nd</sup> Annual General Meeting
Date	July 18, 2019	September 10, 2018	September 25, 2017
Time	10.00 a.m.	10.00 a.m.	10.00 a.m.
Special Resolutions	Yes	Yes	No
Venue	Hotel IBIS Nashik, Plot No. 9, Nashik Triambakeshwar Road, Village Satpur, Nasik - 422007	Hotel IBIS Nashik, Plot No. 9, Nashik Triambakeshwar Road, Village Satpur, Nasik - 422007	Hotel IBIS Nashik, Plot No. 9, Nashik Triambakeshwar Road, Village Satpur, Nasik - 422007

(ii) Details of Special Resolution passed last year by Postal Ballot/ E-Voting:

During the financial year ended March 31, 2020, no resolutions were passed through postal ballot.

Further, no special resolutions are proposed to be conducted through postal ballot, as on the date of the report.

The special resolution proposed to be passed during the ensuing Annual General Meeting of the Company are set out in the Notice for the Annual General Meeting.

## 8. MEANS OF COMMUNICATION

1	Quarterly Results	Published in National and local dailies such as The Business Standard (English) and Mumbai Lakshadeep (Marathi) and in official websites of Bombay Stock Exchange (www.bseindia.com) and also on Company website-www.rishiroop.in
2	Publication in News Papers	Published in National and local dailies such as The Business Standard (English) and Mumbai Lakshadeep (Marathi)
3	Publications in Websites	www.rishiroop.in, www.bseindia.com
4	Displaying of official news releases	www.rishiroop.in, www.bseindia.com
5	Presentations made to institutional investors or to the analysts.	Not applicable.

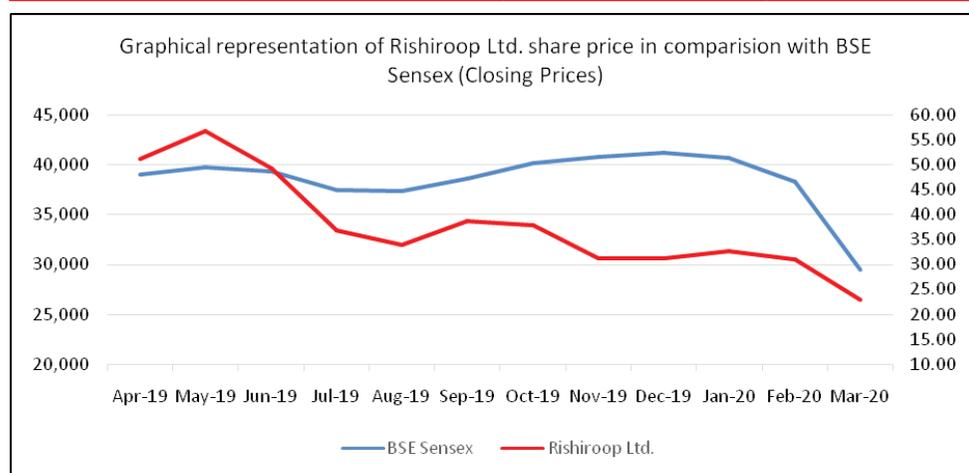
## 9. GENERAL SHAREHOLDER INFORMATION

a	35 <sup>th</sup> Annual General Meeting	: Day, Date, Time and Venue Monday, September 28, 2020, at 11.00 am. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)
b	Financial Year	: April 1, 2019 - March 31, 2020
c	Dividend payment date	: Not applicable
d	Date of Book closure / Record date	: Dates of Book Closure - September 21, 2020 to September 28, 2020(both days inclusive.)
e	Listed on	: BSE Limited. Annual listing fees paid to the Stock Exchange.
f	Stock Code on BSE Limited	: Stock Code (Equity Shares)- 526492
g	ISIN	: Equity ISIN - INE582D01013
h	Company Registration No. with ROC/ Ministry of Corporate Affairs (MCA)	: CIN NO : L25200MH1984PLC034093
i	Registrar and Transfer Agents	: Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West),Mumbai- 400083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in
j	Dematerialization of shares	: 96.84% of the total equity capital is held in dematerialized form with National Securities Depository Ltd. and Central Depository Services (India) Ltd. as on March 31, 2020.
k	Outstanding ADRs/ GDRs	: The Company has not issued any ADRs/GDRs
l	Plant Location	: 1) W-75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422007 2) Mumbai-Nasik Highway, Village Wadivare,Taluka Igatpuri, Nasik

m	Address for correspondence	: The Shareholders may send their correspondence relating to transfer/ dematerialization and other correspondence relating to shares of the company to the Registrar and Transfer Agents of the Company. Shareholders holding shares of Company in dematerialized form should address their correspondence to their respective Depository Participants. For any other queries, correspondence at corporate office address of the Company, as below, be made to : 84, Atlanta, Nariman Point, Mumbai - 400 021. Designated e-mail id for investor correspondence: investor@rishiroop.com
n	Credit Rating	No credit rating has been obtained in the last financial year
o	Stock Price Data	: High, low Market Price on Bombay Stock Exchange during each month in the last financial year in comparison with BSE Sensex are as follows:

Rates per Equity share of the face value of Rs. 10/- each-

Month	Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2019	58.25	50.20	39,487.45	38,460.25
May, 2019	67.40	46.15	40,124.96	36,956.10
June, 2019	60.00	46.70	40,312.07	38,870.96
July, 2019	54.30	34.95	40,032.41	37,128.26
August, 2019	41.20	31.00	37,807.55	36,102.35
September, 2019	41.75	32.80	39,441.12	35,987.80
October, 2019	40.80	33.40	40,392.22	37,415.83
November, 2019	43.00	30.00	41,163.79	40,014.23
December, 2019	36.85	30.05	41,809.96	40,135.37
January, 2020	37.95	30.60	42,273.87	40,476.55
February, 2020	39.00	28.40	41,709.30	38,219.97
March, 2020	33.00	19.05	39,083.17	25,638.90



p. Shareholding Pattern and Distribution of Shareholding of Equity shares as on March 31, 2020:

Shareholding Pattern as on March 31, 2020

	Category	No. of Equity Shares held	Percentage of Shareholding
<b>A.</b>	<b>Promoters Holding</b>		
1.	Promoters		
	- Indian Promoters	68,95,937	71.08
	- Foreign Promoters	-	-
2.	Persons acting in concert	-	-
	<b>Sub- Total (A)</b>	<b>68,95,937</b>	<b>71.08</b>
<b>B.</b>	<b>Non- Promoters Holding</b>		
1	Institutional Investors	-	-
2	Mutual Funds and UTI	11,700	0.12
3	Central Government/State Government	1,000	0.01
<b>C.</b>	<b>FII's Holding</b>	-	-
	<b>Sub-Total (B+C)</b>	<b>12,700</b>	<b>0.13</b>
<b>D.</b>	<b>Others Holding</b>		
1	Corporate Bodies	2,51,074	2.59
2	Indian Public	22,22,049	22.91
3	NRIs	40,268	0.42
4	Director & Relative	160	0.00
5	Clearing member	6,121	0.06
6	HUF	1,15,279	1.19
7	Investor Education and Protection Fund	1,57,700	1.63
	<b>Sub-Total(D)</b>	<b>27,92,651</b>	<b>28.80</b>
	<b>GRAND TOTAL (A+B+C+D)</b>	<b>97,01,288</b>	<b>100.00</b>

Distribution of shareholding of equity shares as on March 31, 2020:

Distribution of shares (Slab wise) (in Rs.)	No. of shareholders	Percentage to total no. of shareholders	Share Amount (in Rs.)	Percentage to total Share Capital
1-5000	2782	81.51	49,33,760	5.09
5001-10000	309	9.05	26,10,560	2.69
10001-20000	147	4.31	22,47,510	2.32
20001-30000	52	1.52	13,38,650	1.38
30001-40000	23	0.67	8,17,260	0.84
40001-50000	27	0.79	12,61,820	1.30
50001-100000	31	0.91	23,05,290	2.38
100001 & above	42	1.23	8,14,98,030	84.01
<b>TOTAL</b>	<b>3413</b>	<b>100.00</b>	<b>9,70,12,880</b>	<b>100.00</b>

q. Share Transfer System

Applications for transfer of Shares held in physical form are received at the office of the registrar and share transfer agent (R&T Agent) of the Company, M/s Link Intime India Private Limited. They attend to share transfer formalities and forward the same to the Company for the Stakeholder's Relationship Committee's approval.

Shares held in dematerialized form are electronically traded in the depository and the registrar and share transfer agent periodically receive the details of beneficiary holdings from the depository so as to update the records for sending all corporate communications and other matters.

Application for dematerialization of physical shares are processed and completed within a period of 15 days from the date of receipt, provided they are duly completed. Incomplete applications are immediately returned to the depository participants under advice to the shareholders.

r. **National Electronic Clearing Service (NECS) Facility:**

The Company, with respect to payment of dividend to shareholders, endeavors to remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate to the Company's R & T Agent, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may send the NECS mandate form to the concerned Depository Participant (DP) directly.

## 10. SKILL MATRIX OF THE BOARD OF DIRECTORS :

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Skill Matrix of the Board of Directors of your Company is given below -

List of core skills / expertise identified by the Board of Directors	Company Directors					
	Mr. Arvind Kapoor	Mr. Aditya Kapoor	Mr. Dilipkumar Shah	Mr. Hemant Vakil	Ms. Vijyatta Jaiswal	Mr. Atul Shah
Business Strategy	•	•				•
Industry Experience	•	•				
General Management	•	•				•
Accounting/Auditing			•	•	•	•
Corporate Finance	•		•	•	•	•
Legal/Secretarial/Compliance			•	•	•	•
Marketing	•	•				
Human Resource Management	•	•	•	•		•
Risk Management	•	•	•	•	•	•
Information Technology		•				

## 11. OTHER DISCLOSURES

- a) There were no transactions of material nature with its promoters, the Directors or the Management; their relatives etc. that may have potential conflict with the interests of the Company at large.

The Audit Committee has granted omnibus approval for certain related party transactions. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties have also been disclosed in the notes of the Financial Statements.

Policy for transactions with related parties is available on the Company weblink: [www.rishiroop.in/investors/corporate-governance/policies](http://www.rishiroop.in/investors/corporate-governance/policies)

- b) There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- c) The Company has established vigil mechanism, whistle blower policy, and no personnel has been denied access to the audit committee.

- d) The Company has also complied with and adopted the mandatory requirements of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and applicable Secretarial Standards.
- e) In line with the requirements of Regulation 17(9) of the SEBI LODR, the Audit Committee and the Board of Directors reviewed the managements' perception of the risks facing the Company, and measures taken to minimize the risk. Your company has no significant exposure to commodities, and therefore, disclosure pertaining to commodity price risks and commodity hedging activities have not been included.
- f) Board of Directors of the Company confirm that in their opinion the independent directors fulfill the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and are independent of the management.
- g) Policy on related party transaction and all other Polices/Disclosures required under Companies Act, 2013 / SEBI LODR Regulations, 2015 are available on the weblink:[www.rishiroop.in/investors/corporate-governance/policies](http://www.rishiroop.in/investors/corporate-governance/policies)
- h) As required by Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended March 31, 2020 confirming the correctness of the financial statements and cashflow statement, and adequacy of the internal control measures and reporting of matters to the Audit Committee, which is annexed.
- i) Disclosures with regard to demat suspense account/unclaimed suspense account - Not applicable.
- j) No funds have been raised through preferential allotment or qualified institutional placement and, therefore, details of utilization of such funds are not disclosed.
- k) Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DM & Associates LLP, Company Secretaries, issued a certificate dated May 29, 2020 (annexed to Secretarial Audit Report) certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI or Ministry of Corporate Affairs or any such statutory authority.
- l) During the financial year ended March 31, 2020, all recommendations of the Committees of the Board of Directors, which are mandatorily required, have been accepted by the Board of Directors of your Company.
- m) Details of fees paid by your Company during financial year 2019-2020 on a consolidated basis to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part :

		Rs.
1	Audit Fees	225,000
2	Tax Audit Fees	50,000
3	Certification & Review	50,000
4	Expenses Reimbursed	104,893
	Total :	429,893

- n) Disclosures in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 :
- (i) Number of complaint filed during the financial year - NIL
- (ii) Number of complaints disposed of during the financial year - NIL
- (iii) Number of complaints pending as on end of the financial year - NIL

**12. NON-MANDATORY REQUIREMENTS' DISCLOSURE UNDER SEBI LISTING REGULATIONS**

- a) Chairman of the Board : Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties:

No

- b) Shareholders Rights : Half-yearly declaration of financial performance including summary of the significant events in last six months to be sent to each household of Shareholders :

The Company's half year Results are published in English and Marathi newspapers having wide circulation, and are also displayed on the Company's website. Hence, the same are not sent to the Shareholders. Audited Results for the financial year are communicated to the Shareholders through the Annual Report.

- c) Modified Opinion in Audit Report: The Auditors have issued an unmodified opinion for the year ended March 31, 2020.
- d) Separate posts of Chairman and CEO: Separate persons perform the role of Chairman and Managing Director.
- e) Reporting of Internal Auditor: The internal auditor reports directly to the Audit Committee and quarterly internal audit reports are reviewed in the Audit Committee meetings.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29.06.2020

Arvind Mahendra Kapoor  
Chairman  
DIN : 00002704

**Registered Office:**

W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

**COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS**

In accordance with Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members, and Senior Management personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended March 31, 2020.

For Rishiroop Limited

Place: Mumbai  
Date: 29.06.2020

Aditya A. Kapoor  
Managing Director  
DIN : 00003019

**Registered Office:**

W-75(A) & W-76(A)  
MIDC Industrial Area  
Satpur, Nasik - 422007  
CIN - L25200MH1984PLC034093

## DECLARATION BY THE MD AND CFO - PURSUANT TO REGULATION 17(8) OF SEBI LISTING REGULATIONS

We have reviewed financial statements and the Cash Flow Statement for the year ended March 31,2020 and certify, to the best of our knowledge and belief, that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee -
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Rishiroop Limited

Place: Mumbai  
Date : 29-06-2020

Suresh H. Khilnani  
Chief Financial Officer

Aditya A. Kapoor  
Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE UNDER SEBI LISTING REGULATIONS**

To

The Members of  
Rishiroop Limited

We have examined the compliance of conditions of Corporate Governance by Rishiroop Limited ("the Company"), for the year ended March 31, 2020, as stipulated in the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations.

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

For Jayesh Dadia & Associates LLP  
*Chartered Accountants*  
Firm Registration No: 121142W/ W100122

Place : Mumbai  
Date : 29-06-2020

Partner  
M.No.: 143181  
UDIN: 20143181AAAACS3181

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

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

For the Financial Year Ended March 31, 2020

To,  
The Members,  
RISHIROOP LIMITED  
W -75( A), & W-76(A),  
Nashik Ind. Estate, Satpur,  
Nasik - 420007

Dear Members,

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

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

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The SEBI (Prohibition of Insider Trading) Regulations, 2015; and
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report:-
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
  - b. The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the Environment, Pollution and Safety and other related Laws, Rules, Regulations and related compliances specifically applicable to the Company.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The following are the major head / groups of Acts, Laws and Regulations as applicable to the Company:

- a. Factories Act, 1960.
- b. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to Salary & Wages, Bonus, Gratuity, Provident Fund, ESIC, Compensation and Benefits etc.
- c. Labour Welfare Act of the Central and respective states.
- d. Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Governments.
- e. Land Revenue Laws of respective states.
- f. Local laws as applicable to various offices and Premises of the Company.
- g. Environment Protection Act, 1986 and other environmental laws.
- h. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.
- i. Industrial Disputes Act, 1947.
- j. Indian Stamp Act, 1999
- k. Indian Contract Act, 1872
- l. Negotiable Instruments Act, 1881

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;

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

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

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

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

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

We further report that during the audit period, there was no specific action was taken by the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines:

For DM & Associates Company Secretaries LLP  
Company Secretaries  
ICSI Unique Code L2017MH003500

Tribhuwneshwar Kaushik  
Partner  
ACS NO 37322  
C P NO 16207

Place: Mumbai  
Date: May 29, 2020  
UDIN:A037322B000297912

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

## ANNEXURE - I

To  
The Members,  
RISHIROOP LIMITED  
W -75(A), & W-76(A),  
Nashik Ind. Estate, Satpur,  
Nashik - 420007

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DM & Associates Company Secretaries LLP  
Company Secretaries

Tribhuwneshwar Kaushik  
Partner  
ACS NO 37322  
C P NO 16207

Place: Mumbai  
Date: May 29, 2020  
UDIN:A037322B000297912

## SECRETARIAL COMPLIANCE REPORT OF RISHIROOP LIMITED FOR THE YEAR ENDED MARCH 31, 2020

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have examined:

- a) all the documents and records made available to us and explanation provided by RISHIROOP LIMITED (“the listed entity”),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of:
  - a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable;
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable;
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not Applicable;
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

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

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- c) There was no instances of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder;

- d) There was no observations for which listed entity had to take any actions to comply with the observations made in previous reports:

For DM & Associates Company Secretaries LLP  
Company Secretaries

Tribhuvneshwar Kaushik  
Partner  
ACS NO 37322  
C P NO 16207

Place: Mumbai  
Date: May 29, 2020  
UDIN:A037322B000297912

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
 The Members,  
 RISHIROOP LIMITED  
 W -75(A), & W-76(A),  
 Nashik Ind. Estate, Satpur,  
 Nasik - 420007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rishiroop Limited having CIN: L25200MH1984PLC034093 and having its Registered Office at W-75(A) & W-76(A), Nashik Ind. Estate, Satpur, Nashik, Maharashtra-420007 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment
1	Arvind Mahendra Kapoor	00002704	24/09/1984
2	Aditya Arvind Kapoor	00003019	21/06/2008
3	Atul Rameshchandra Shah	00004528	08/09/2015
4	Dilipkumar Premchandbhai Shah	00005072	30/12/2005
5	Hemant Dhansukhlal Vakil	00780431	01/08/2015
6	Vijyatta Jaiswal	07131327	26/03/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DM & Associates Company Secretaries LLP  
 Company Secretaries

Tribhuvneshwar Kaushik  
 Partner  
 ACS NO 37322  
 C P NO 16207

Place: Mumbai  
 Date: May 29, 2020  
 UDIN:A037322B000297912

## INDEPENDENT AUDITORS' REPORT

To the Members of Rishiroop Limited Report on the Standalone Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Non-Current Assets held for sale</b></p> <p>An entity shall classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to the terms that are usual &amp; customary for sales of such asset and its sale is highly probable as specified in Note No. 1.7 to the financial statements.</p> <p>As disclosed in Note no. 6 to the financial statements, the Company has reclassified leasehold land and building situated thereon at GIDC, Ankleshwar, Gujarat as "Non-Current Assets Held for Sale" as the Board intends to dispose off the said assets and its carrying amount is likely to be recovered from a sale transaction rather than continuing use by the company</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understanding the process followed by the management for the purpose of identifying the assets for reclassification as "Non-current assets held for sale"</li> <li>- Reviewing the steps taken by the Board of Directors in determining the commitment of the management to a plan to sell the assets including the resolutions passed by the Board &amp; the members authorizing the management to undertake the sale.</li> <li>- Reviewing the steps taken by the management to initiate a programme to locate a buyer and complete the sale transactions including advertisements published inviting interested parties to make an offer</li> <li>- Considering the adequacy of disclosures in the financial statements relating to the reclassification</li> </ul>
<p><b>Adoption of IND-AS 116, "Leases"</b></p>	

<p>As described in note no. 1.12 to the standalone financial statements, the Company has adopted IND AS 116 Leases (Ind-AS 116) in the current year. The application &amp; transition to this accounting standard is an area of focus in our audit since the company has a number of leases with different contract terms. Ind-As 116 introduces a new lease accounting model, wherein a lessee is required to recognize a right-of-use (RoU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgement &amp; estimates including determination of the discount rates.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>- Assessed the Company's evaluation on the identification of leases based on the contractual agreements;</li> <li>- Assessed the reasonableness of the discount rates applied in determining the lease liabilities.</li> <li>- Upon transition as at 1<sup>st</sup> April, 2019:             <ul style="list-style-type: none"> <li>• Evaluated the method of transition and related adjustments;</li> <li>• Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing RoU asset and the lease liabilities.</li> </ul> </li> <li>- Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to transaction.</li> </ul>
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### Emphasis of Matter

We draw attention to Note 41.4.5 to the standalone financial statements which explain how COVID-19 has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to conduct a physical verification of inventories for the year-end 31<sup>st</sup> March, 2020 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns.

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

Our opinion is not modified in respect of this matter.

### Other Information

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

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

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

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or

error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer note 40 to the standalone Ind AS financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

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

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

Rahil Dadia  
Partner  
Membership No. 143181  
UDIN: 20143181AAAACU9263

Place of Signature: Mumbai

Date: 29<sup>th</sup> June, 2020

## Annexure A to the Auditors' Report

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

- (i)
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) A substantial portion of these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management, except for stock in transit. The intervals at which the inventories are physically verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed to us & on the basis of our examination of the books of accounts & other relevant records, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore comments under clause (a), (b) & (c) are not given.
- (iv) In our opinion & according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees and security given by the Company.
- (v) In our opinion & according to the information & explanation given to us, the Company has not accepted any deposits from the public during the year. Therefore paragraph 3(v) of the Order is not applicable.
- (vi) According to the information & explanation provided to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii)
  - (a) According to the information & explanations provided to us & on the basis of our examination of the books of accounts & other relevant records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31<sup>st</sup> March, 2020 for a period of more than 6 months from the date they became payable.
  - (b) According to the information and explanations given to us, details of disputed statutory dues which have not been deposited or partially deposited are as follows:

Name of the Statute	Nature of Dues	Amount disputed (₹)	Period to which the amount relates (F.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	8,13,835	2005-06	Bombay High Court
Income Tax Act, 1961	Income Tax	11,05,943	2006-07	Bombay High Court
Income Tax Act, 1961	Income Tax	30,897	2008-09	ITAT
Customs Act, 1962	Customs Duty	2,56,413	2015-16 & 2016-17	Comm. of Customs (Appeal)

- (viii) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowings to banks or financial institutions.
- (ix) The Company has not raised any money by way of initial public offer or further public offer including debt instruments during the year.

- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information & explanations given to us, the Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.
- (xiii) In our opinion and according to the information & explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review.
- (xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him/her as specified under the provisions of section 192 of the Companies Act, 2013,.
- (xvi) The Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

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

Rahil Dadia  
Partner  
Membership No. 143181  
UDIN: 20143181AAAACU9263

Place of Signature: Mumbai

Date: 29<sup>th</sup> June, 2020

## Annexure - B to the Independent Auditor's Report

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

### Opinion

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

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

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

Rahil Dadia  
Partner  
Membership No. 143181  
UDIN: 20143181AAAACU9263

Place of Signature: Mumbai

Date: 29<sup>th</sup> June, 2020

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2020**

Particulars	Note No.	As at 31/03/2020 ₹	As at 31/03/2019 ₹
<b>ASSETS</b>			
<b>1. Non Current Assets</b>			
a) Property, Plant and Equipment	2	1,85,00,236	1,70,45,495
b) Intangible assets under development		39,57,442	32,31,627
c) Financial Assets			
- Investments	3	22,10,25,809	32,02,21,315
- Loans and advances	4	17,70,593	18,96,997
d) Other Non-Current Assets	5	41,41,104	-
e) Other Non-Current Assets	6	5,94,18,159	5,94,18,159
		<u>30,88,13,343</u>	<u>40,18,13,593</u>
<b>2. Current Assets</b>			
a) Inventories	7	11,39,84,811	12,37,58,328
b) Financial Assets			
- Investments	8	13,09,20,275	6,48,58,778
- Trade Receivables	9	8,62,69,210	8,62,55,094
- Cash and Cash Equivalents	10	2,71,80,121	3,86,29,602
- Bank Balance other than Cash and Cash Equivalents	11	47,48,856	38,11,150
- Other Financial Assets	12	22,69,160	12,00,358
c) Other Current Assets	13	3,20,39,812	3,53,61,407
		<u>39,74,12,245</u>	<u>35,38,74,717</u>
<b>TOTAL ASSETS</b>		<u>70,62,25,588</u>	<u>75,56,88,310</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	14	9,70,12,880	9,70,12,880
b) Other Equity	15	51,50,33,387	56,91,34,039
		<u>61,20,46,267</u>	<u>66,61,46,919</u>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
a) Deferred Tax Liability (Net)	5	-	8,40,252
b) Provisions	16	19,39,893	19,45,311
		<u>19,39,893</u>	<u>27,85,563</u>
<b>2. Current Liabilities</b>			
a) Financial Liabilities			
- Trade Payables	17		
i) Total Outstanding dues of Micro Enterprise and Small enterprises		-	-
ii) Total Outstanding dues of Creditors other than Micro Enterprise and Small Enterprises		7,97,36,983	7,81,85,542
- Other Financial Liabilities	18	92,65,649	45,64,501
b) Other Current Liabilities	19	11,41,380	19,51,227
c) Provisions	20	20,95,416	20,54,558
		<u>9,22,39,428</u>	<u>8,67,55,828</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>70,62,25,588</u>	<u>75,56,88,310</u>
Significant Accounting Policies and notes are an integral part of the financial statements	1 to 46		

As per our report attached of even date

For Jayesh Dadia & Associates LLP  
Chartered Accountants  
FRN: 121142W / W100122

Rahil Dadia  
Partner  
Membership No. :- 143181

Place : Mumbai  
Dated : 29th June, 2020

For and on behalf of the Board

Arvind Kapoor	Chairman
DIN : 00002704	
Aditya Kapoor	Managing Director
DIN : 00003019	
Dilip Shah	Independent Director
DIN : 00005072	
Agnelo Fernandes	Company Secretary & Compliance Officer
Suresh Khilnani	Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

Particulars	Note No.	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
Revenue			
I Revenue From Operations	21	40,55,13,782	60,64,89,011
II Other Income	22	76,66,997	2,34,28,885
III Total Revenue ( I + II )		<u>41,31,80,779</u>	<u>62,99,17,896</u>
Expenses			
Cost Of Materials Consumed	23	11,52,94,270	19,35,25,767
Purchases of Stock-In-Trade	24	22,51,80,211	24,45,27,708
Changes In Inventories of Finished Goods Work -In- Progress and Stock-In Trade	25	(1,00,65,337)	3,76,42,678
Employee Benefits Expense	26	3,49,42,560	3,15,94,662
Finance Costs	27	23,63,408	25,87,805
Depreciation and Amortization Expense	2	53,76,083	45,08,304
Other Expenses	28	7,32,37,082	3,04,43,578
IV Total Expenses		<u>44,63,28,277</u>	<u>54,48,30,502</u>
V Profit / ( Loss ) Before Tax ( III-IV )		<u>(3,31,47,498)</u>	<u>8,50,87,394</u>
VI Tax Expenses			
-Current Tax	43	34,00,000	2,02,00,000
-Deferred Tax	43	(49,79,157)	(81,26,443)
-Prior period Tax adjustment		(31,55,860)	-
Total Tax Expenses		<u>(47,35,017)</u>	<u>1,20,73,557</u>
VII Profit/ ( Loss ) for the Year ended (V-VI)		<u>(2,84,12,481)</u>	<u>7,30,13,837</u>
VIII Other Comprehensive Incomes			
A) (i) Item that will not be reclassified to profit & loss		(5,79,757)	2,42,123
(ii) Income tax relating to item that will not be reclassified to profit & loss		1,45,913	(67,359)
B) (i) Item that will be reclassified to profit & loss		6,28,120	(6,58,454)
(ii) Income tax relating to item that will be reclassified to profit & loss		(1,43,714)	1,83,182
Total Comprehensive Income/(Loss)		<u>50,562</u>	<u>(3,00,508)</u>
IX Total Comprehensive Income/ (Loss) for the year ended (VII+VIII)		<u>(2,83,61,919)</u>	<u>7,27,13,329</u>
X Earnings per Equity Share	29		
Basic ( in ₹ )		(2.93)	7.53
Diluted ( in ₹ )		(2.93)	7.53
Significant Accounting Policies and notes are an integral part of the financial statements	1 to 46		

As per our report attached of even date

For Jayesh Dadia & Associates LLP  
Chartered Accountants  
FRN: 121142W / W100122

Rahil Dadia  
Partner  
Membership No. :- 143181

Place : Mumbai  
Dated : 29th June, 2020

For and on behalf of the Board

Arvind Kapoor	Chairman
DIN : 00002704	
Aditya Kapoor	Managing Director
DIN : 00003019	
Dilip Shah	Independent Director
DIN : 00005072	
Agnelo Fernandes	Company Secretary & Compliance Officer
Suresh Khilnani	Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020**

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
<b>Cash Flow From Operating Activities :</b>		
<b>Net Profit before taxes</b>	(3,31,47,498)	8,50,87,394
<b>Adjusted for</b>		
-Depreciation	53,76,083	45,08,304
-Notional Interest Income on IND AS adjustment	(75,179)	(65,957)
-Notional Rent Expenses- IND AS adjustment	75,179	65,957
-Gain on Fair Value of Forward Contract	(1,92,816)	1,11,643
-Loss on Fair Value of Investment	4,49,73,624	(1,06,73,250)
-Gain on Fair Value of Liquid Investment	(1,95,471)	(30,105)
-Dividend Income	(6,00,222)	(23,24,608)
-Interest Income	(40,86,710)	(40,34,862)
-Short Term Gain on sale of Investments	(18,83,658)	(18,59,522)
-Long Term Gain/(Loss) on sale of Investments	1,74,888	(11,15,876)
-Interest paid on Lease Liability	4,06,891	-
-Profit on investment with AIF	(1,38,746)	-
-Profit on Sales of Fixed asset	(4,57,807)	(38,168)
-Items not reclassified to profit & Loss Account	(5,79,757)	2,42,123
-Gain on derecognition of Lease Liability	(11,001)	-
-Unrealized Foreign Exchange Loss/(Gain)	23,91,033	(3,77,758)
	<u>4,51,76,331</u>	<u>(1,55,92,079)</u>
Operating profit before working capital changes	1,20,28,833	6,94,95,315
<b>Adjusted for</b>		
-(Increase) / Decrease in Inventories	97,73,517	2,72,80,900
-(Increase) / Decrease in Receivables/Advances	58,56,874	(16,11,709)
-Increase / (Decrease) in Trade payables, Current Non Current liabilities & Provisions	(59,792)	(1,16,54,129)
	<u>1,55,70,599</u>	<u>1,40,15,062</u>
Cash generated from operation	2,75,99,432	8,35,10,377
Less:- Tax Paid	(37,24,173)	(2,12,55,741)
<b>Net Cash from Operating Activities ( A )</b>	<u>2,38,75,259</u>	<u>6,22,54,636</u>
<b>Cash Flow From Investing Activities :</b>		
-Disposal of Fixed Assets	7,77,890	75,000
-Purchase of Fixed Assets	(12,27,745)	(34,958)
-Purchase of Intangible Assets	(7,25,814)	(20,11,627)
-Investment in Margine Money for LC	(8,72,880)	20,40,849
-Profit on investment with AIF	1,38,746	-
-Interest received	33,36,655	40,02,992
-Dividend received	6,00,222	23,24,608
-Purchase of Investments	(12,39,08,104)	(17,10,52,649)
-Sale of Investments	11,46,00,844	12,50,45,491
<b>Net cash from Investing Activities ( B )</b>	<u>(72,80,186)</u>	<u>(3,96,10,294)</u>
<b>Cash Flow From Financing Activities :</b>		
-Payment of Lease Liability	(23,13,908)	-
-Dividend including dividend Tax paid	(2,57,30,647)	(1,40,34,899)
<b>Net cash from Financing Activities ( C )</b>	<u>(2,80,44,555)</u>	<u>(1,40,34,899)</u>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents ( A + B + C )</b>	<u>(1,14,49,481)</u>	<u>86,09,443</u>
Cash & Cash Equivalents as at the beginning of the year	3,86,29,602	3,00,20,159
Cash & Cash Equivalents as at the end of the year	<u>2,71,80,121</u>	<u>3,86,29,602</u>
	<u>(1,14,49,481)</u>	<u>86,09,443</u>

As per our report attached of even date

For Jayesh Dadia & Associates LLP  
Chartered Accountants  
FRN: 121142W / W100122

Rahil Dadia  
Partner  
Membership No. :- 143181

Place : Mumbai  
Dated : 29th June, 2020

For and on behalf of the Board

Arvind Kapoor Chairman  
DIN : 00002704  
Aditya Kapoor Managing Director  
DIN : 00003019  
Dilip Shah Independent Director  
DIN : 00005072  
Agnelo Fernandes Company Secretary &  
Compliance Officer  
Suresh Khilnani Chief Financial Officer

## Notes to the Financial Statements for the period ended 31<sup>st</sup> March, 2020

### 1 GENERAL INFORMATION:

Rishiroop Limited (the 'Company') is a public Company listed on the Bombay Stock Exchange, incorporated in India and is engaged in manufacturing of PVC - NBR blends and trading of polymers. The Company has manufacturing facilities in the states of Maharashtra . The products are mainly sold in India and exported to the international markets.

#### 1.1 Basis of Preparation and Presentation of Financial Statements & Use of Estimates:

1.1.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the relevant provisions of the Companies Act, 2013 ("The Act:") and guidelines issued by the Securities & Exchange Board of India

The Company's Financial Statements for the year ended 31st March, 2020 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements

1.1.2 The preparation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.1.3 The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative Financial Instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- (iii) Assets held for sale - measured at the lower of its carrying amount and fair value less costs to sell; and
- (iv) Employee's Defined Benefit Plan as per actuarial valuation at every year end.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### 1.2 Functional and presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### 1.3 Revenue recognition:

1.3.1 The Company earns revenue primarily from Manufacture, Sale of goods, rendering services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

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

Revenue from the sale of goods is recognised at the point in time when

- Control is transferred to the customer.
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.

1.3.3 Revenue is measured based on the transaction price, which is the consideration, adjusted for price concessions also excludes taxes collected from customers.

1.3.4 Use of significant judgements in revenue recognition

1. The Company's order from customers could include promises to transfer products and services to a customer. The Company assesses the products / services promised in a order and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
2. The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in order.

1.3.5 Dividend and interest income:

Dividend income from investment is recognized when the company's right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

## 1.4 Inventories

Inventories are valued, after providing for obsolescence, as under:

- 1.4.1 Raw materials, stores, spares, packing materials, loose tools and traded goods at weighted average cost or net realizable value, whichever is lower.
- 1.4.2 Imports in transit are valued at purchase cost.
- 1.4.3 Work-in-progress at weighted average cost including conversion cost or net realizable value, whichever is lower.
- 1.4.4 Finished goods and Goods in transit at weighted average cost including conversion cost or net realizable value, whichever is lower.

## 1.5 Classification of Assets and Liabilities into Current / Non - Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the Purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realize the asset within twelve months after the reporting period; or
- (iv) The asset is a 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 period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

## 1.6 Property, plant and equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognized as at 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use. Own manufactured asset are capitalized at factory cost. Certain project related direct expenses, incurred at site for the period upto the date of commencement of commercial production are capitalized.

### Depreciation and Amortisation

Depreciation on Fixed Assets have been provided on the following basis.

- a) Written Down Value basis at the rates and in the manner prescribed under Schedule II of Companies Act, 2013.
- b) Lease Hold Land is being amortized over the period of lease. Leasehold building improvements are written off over the period of lease or their estimated useful life whichever is lower, on a straight line basis.
- c) Residual value of the assets is estimated at 5% of cost. The useful lives of the assets of the Company are as follows:-

Asset	Useful lives
Leasehold land	Over lease period
Factory Buildings	30 years
Plant & equipment	15 years
Office equipment	5 years
Electricals and Lab equipment	10 Years
Furniture and fixtures	10 years
Vehicles	8 years
Computers	3 years
Right to Use assets	Over the lease period

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books and the resultant profit or loss (including capital profit), if any, is reflected in the statement of profit and loss.

The estimated useful life and residual value is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## 1.7 Non - current assets held for sale

Non - current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only

when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Non - current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non - current assets held for sale are disclosed under "Other Non Current Asset"

### **1.8 Impairment of tangible and intangible assets other than goodwill:**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

### **1.9 Financial Instrument:**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

#### **1.9.1 Financial asset:**

All regular way purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

#### **1.9.1.1 Financial assets at amortised cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **1.9.1.2 Financial assets at Fair Value Through profit and Loss ( FVTPL)**

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit and loss. The net gain or loss recognized in profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income / Other expenses' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

### 1.9.1.3 Financial assets at Fair Value Through other comprehensive income ( FVTOCI)

Financial assets at FVTOCI are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The company has made an irrevocable election to present subsequent change in the fair value of Debt instruments not held for trading in other comprehensive income.

### 1.9.1.4 Impairment of financial assets:

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual rights to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures their allowances at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivable, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### 1.9.1.5 Derecognition of financial assets:

The Company de-recognizes a financial asset when contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

### 1.9.1.6 Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost and FVTPL, exchange differences are recognized in profit and loss, except for those which are designated as hedging instruments in a hedging relationship.

### 1.9.2 Financial liabilities:

Financial liabilities are subsequently measured at amortized cost or at FVTPL.

#### 1.9.2.1 Financial liabilities at FVTPL:

Financial liabilities such as derivative that is not designated and effective as a hedging instrument are classified as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit and loss. The net gain or loss recognized in profit and loss is included in the 'Other Income/ Other expenses' line item.

#### 1.9.2.2 Financial liabilities subsequently measured at amortized cost:

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at cost.

### 1.9.2.3 Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains or losses are determined based on the amortized cost of the instruments and are recognized in 'Other Income / Other Expenses'

The fair value of financial liabilities denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit and loss.

### 1.9.2.4 Derecognition of financial liabilities:

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

#### Derivative financial instruments:

The Company enters into foreign exchange forward contracts to manage its exposure of foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit and loss immediately.

## 1.10 Contingent liabilities and contingent assets

Contingent liability is disclosed in the case of:

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii) a present obligation when no reliable estimate is possible, and
- iii) a possible obligation, arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized nor disclosed.

Contingent liabilities and contingent assets are reviewed at each balance sheet date and updated / recognized as appropriate

## 1.11 Borrowing cost

As per Indian Accounting Standard 23 (Ind AS 23) on "Borrowing Costs" borrowing costs that are

- (a) directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as a part of cost of such asset till the time the asset is ready for its intended use and;
- (b) not directly attributable to qualifying assets are determined by applying a weighted average rate and are capitalized as a part of the cost of such qualifying asset till the time the asset is ready for its intended use.

Remaining borrowing costs are recognized as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale

## 1.12 Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments

made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### Transition to IND-AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information; instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019

### 1.13 Foreign Currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (‘the functional currency’). These financial statements are presented in Indian rupee which is the Company’s functional and presentation currency. Transactions in currencies other than the Company’s functional currency (foreign currencies) are recognized at the rate of exchange prevailing at the dates of transactions. At the end of each reporting period monetary item denominated in foreign currencies are translated at the rates prevailing at that date.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

### 1.14 Employee benefits:

#### 1.14.1 Post - Employment Benefits

#### 1.14.1.1 Defined Contribution Plans:

Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid/payable during the year under these schemes are recognized as expense in the statement of Profit and Loss. There are no other obligations other than the contribution made by the company.

#### 1.14.1.2 Defined Benefit Plans:

For defined benefit retirement plans (i.e. gratuity ) the cost of providing benefits is determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets(excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the year in which they occur. Defined benefit costs are categorized as follows:

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

#### 1.14.2 Compensated Absences ( Leave salary )

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

#### 1.15 Provision:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 1.16 Income Taxes:

Income tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with deferred Tax asset.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

### 1.17 Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the Equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 1.18 Critical Accounting Judgements and Key Sources of Estimation Uncertainty :

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### 1.18.1 Critical judgments in applying accounting policies

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements

#### 1.18.2 Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 1.18.3 Useful Lives of Property, Plant and Equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset / component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

#### 1.18.4 Fair value measurement of financial instruments:

Fair value of financial assets and liabilities is normally determined by references to the transaction price. If the fair value is not reliably determinable, the company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### 1.18.5 Defined benefit plans:

The cost of the defined benefit gratuity plan and other post - employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Statement of change in Equity for the Year Ended 31<sup>st</sup> March, 2020

₹

9,70,12,880

-

9,70,12,880

## A Equity Share Capital

Balance as at 31st March, 2019

- Change in Equity Shares Capital during the year

Balance as at 31st March, 2020

B	Particulars	Reserves and Surplus						Other Comprehensive Income			Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Fair value of defined benefit plans	Fair value of Debt Instruments			
	Balance as at 1st April, 2019	1,08,70,860	14,90,50,241	2,15,00,000	2,61,84,470	35,97,60,912	(4,38,343)	22,05,899		56,91,34,039	
	INDAS 116 'Lease' opening reserve adjustment					(8,085)				(8,085)	
	Profit for the year					(2,84,12,481)				(2,84,12,481)	
	Other comprehensive income for the year net of tax						(4,33,844)	4,84,406		50,562	
	Final dividend distributed & tax on dividend - (2018-19)					(1,40,34,899)				(1,40,34,899)	
	Interim dividend distributed & tax on dividend - (2019-20)					(1,16,95,748)				(1,16,95,748)	
	Balance as at 31st March, 2020	1,08,70,860	14,90,50,241	2,15,00,000	2,61,84,470	30,56,09,699	(8,72,187)	26,90,305		51,50,33,387	

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

2	Property, Plant and Equipments	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as at 01/04/2019	Additions	Deductions/ Adjustments	Balance as at 31/03/2020	Balance as at 01/04/2019	Depreciation	Deductions/ Adjustments	Balance as at 31/03/2020	Balance as at 31/03/2020	Balance as at 31/03/2019
	Particulars	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Lease Hold Land	73,247	-	-	73,247	3,408	1,136	-	4,544	68,703	69,839
	Free Hold Land	4,01,343	-	-	4,01,343	-	-	-	-	4,01,343	4,01,343
	Building	26,10,355	3,24,536	-	29,34,891	14,41,461	2,58,842	-	17,00,303	12,34,588	11,68,894
	Plant & Machinery	1,76,71,526	2,11,480	1,95,023	1,76,87,983	73,00,382	15,98,722	1,07,851	87,91,253	88,96,730	1,03,71,144
	Furniture & Fixtures	9,43,791	-	-	9,43,791	5,04,032	1,09,664	-	6,13,696	3,30,095	4,39,759
	Electrical Installations	5,82,436	-	-	5,82,436	3,03,189	53,780	-	3,56,969	2,25,467	2,79,247
	Office Equipments	2,00,145	32,031	916	2,31,260	1,21,608	32,227	-	1,53,835	77,425	78,536
	Laboratory Equipments	48,86,979	-	-	48,86,979	23,46,305	6,52,682	-	29,98,987	18,87,992	25,40,674
	Other Equipments	4,00,079	2,68,363	27,707	6,40,735	2,17,984	87,178	20,944	2,84,218	3,56,517	1,82,100
	Computers	7,54,631	3,91,335	-	11,45,966	4,99,089	1,96,065	-	6,95,154	4,50,812	2,55,539
	Vehicles	48,57,866	-	13,52,107	35,05,759	35,99,445	3,10,982	11,26,877	27,83,550	7,22,209	12,58,420
	Right to Use Asset*	11,39,769	52,35,017	5,17,381	58,57,405	52,503	20,74,805	1,18,258	20,09,050	38,48,355	-
	Total	3,45,22,167	64,62,762	20,93,134	3,88,91,795	1,63,89,406	53,76,083	13,73,930	2,03,91,559	1,85,00,236	1,70,45,495
	Previous Year	9,48,24,560	34,958	6,14,77,123	3,33,82,395	1,38,50,727	45,08,304	20,22,132	1,63,36,899	1,70,45,495	

\* In order to comply Ind AS 116 "Leases" we have recognised assets "Right to Use Assets" of ₹ 63,74,787/- and charged depreciation on same over the lease period. During the period Right to Use assets of ₹ 5,17,381/- written off as the agreement with MWF logistics Ltd. surrendered.

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

## 3. NON-CURRENT INVESTMENTS

## LONG TERM INVESTMENTS

Particulars	As at 31/03/2020		As at 31/03/2019	
	Quantity	₹	Quantity	₹
a) Trade Investments				
3.1 - Investment in Equity Shares -Unquoted, Fully paid, Measured at FVTPL				
-Bharuch Eco-Aqua Infrastructure Ltd	6,000	1,158,853	6,000	1,248,103
-Bharuch Enviro Infrastructure Ltd	420	170,153	420	137,153
-Saraswat Co-Operative Bank Ltd	2,500	371,371	2,500	385,981
Total (A)		1,700,377		1,771,237
3.2 - Investment in Bonds /NCD- Quoted Fully paid, Measured at FVTOCI				
a) Tax Free Bond				
-Housing Urban Development Corporation Ltd	13,000	15,218,944	13,000	14,855,477
-National Highway Authority of India-Series 1	2,472	2,566,833	2,472	2,579,690
-Rural Electrification Corporation Ltd	10,000	11,664,000	10,000	11,386,490
Total (B)		29,449,777		28,821,657
b) -Investment in NCD				
-9.10% Mahindra & Mahindra Financial Services Ltd	10,000	10,000,000	10,000	10,000,000
Total (C)		10,000,000		10,000,000
3.3 - Investment In Mutual Fund- Quoted, Fully Paid, Measured at FVTPL				
a) Equity Fund				
-Aditya Birla Sunlife India Gennext Fund -Growth	43,872	3,005,256	43,872	3,613,327
-Aditya Birla Sunlife India Gennext Fund Direct-Growth	22,267	1,642,173	22,267	1,951,013
-Aditya Birla Sunlife Focussed Equity -Growth	139,183	6,373,739	139,183	8,273,000
-Axis Focussed 25 -Growth	62,814	1,604,899	62,814	1,836,055
-Franklin India Smaller Companies - Growth	254,651	8,595,963	254,651	14,014,956
-HDFC Small Cap Regular-Growth	-	-	8,704	388,545
-HDFC Small Cap Direct - Growth	-	-	32,806	1,567,063
-HDFC Hybrid Equity Fund- Growth	400,121	16,985,915	842,201	45,852,765
-HDFC Midcap Opportunities Fund- Growth	170,381	6,648,077	170,381	9,589,697
-ICICI Prudential Banking & Financial Fund -Growth	344,931	13,997,286	344,931	22,582,610
-ICICI Prudential Equity & Debt Fund-Growth	78,883	8,358,426	78,883	10,605,010
-Motilal Oswal Multicap 35 Fund Direct- Growth	90,163	1,858,789	90,163	2,456,235
-ICICI Prudential Value Fund Series 4-Growth	-	-	240,000	2,462,400
-Kotak Standard Multicap Fund Regular-Growth	197,669	5,339,034	197,669	7,012,893
-L & T India Value Fund - Growth	-	-	196,356	7,096,096
-Mirae Assets Emerging Blue chip Fund-Reg.-Growth	210,020	8,875,659	210,020	11,205,622
-Motilal Oswal Multicap 35 Fund - Growth	179,442	3,496,740	179,443	4,661,447
-Nippon India Small Cap Fund- Growth	197,519	5,373,965	197,519	7,961,615
-SBI Blue chip Fund- Growth	282,257	8,397,605	282,257	11,067,081
-SBI Magnum Midcap Fund -Growth	147,232	7,704,454	197,984	14,816,689
-SBI Healthcare Opportunities - Growth	46,462	5,281,210	46,462	5,557,922
-UTI Transportation & Logistic Sector-Growth	29,706	1,699,193	29,706	2,845,482
-L & T Emerging Business Fund- Growth	174,633	2,773,348	174,633	4,544,652
-L & T Emerging Business Fund-Regular Growth	45,001	679,961	45,001	1,127,133
-Principal Emerging Bluechip Fund- Growth	-	-	36,140	3,985,183

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

-Principal Emerging Bluechip Fund Reg- Growth	-	-	9,404	979,405
-Parag Parikh Long Term Equity Fund Direct- Growth	186,074	4,067,328	-	-
-Tata India Consumer Fund- Plan-Growth	-	-	128,421	2,340,939
-Tata India Consumer Fund-Regular Plan-Growth	-	-	33,447	576,831
-Tata Equity PE Fund- Growth	-	-	41,898	5,949,892
-Tata Equity PE Fund- Regular Growth	-	-	10,832	1,465,922
-ICICI Prudential Multicap - Growth	-	-	4,125	1,286,964
-ICICI Prudential Multicap Reg- Growth	-	-	999	295,374
-Mirae Assets Lage Cap Fund Direct -Growth	142,829	5,920,552	24,812	1,340,345
-Mirae Assets Lage Cap Fund Reg -Growth	6,009	233,336	6,009	307,463
-Sundaram Large & Midcap -Growth	-	-	35,663	1,285,913
-Sundaram Large & Midcap Reg -Growth	-	-	11,418	393,621
-Axis Bluechip Fund Direct -Growth	143,184	4,052,119	-	-
-Axis Midcap Direct -Growth	116,333	4,133,318	-	-
-Axis Smallcap Direct -Growth	88,784	2,312,814	-	-
-SBI Focussed Equity Direct -Growth	15,452	1,975,801	-	-
<b>Total (D)</b>		<b>141,386,960</b>		<b>223,297,160</b>
<b>b) Debt Fund</b>				
-Birla Sunlife Treasury Optimizer Plan Growth	14,090	3,689,725	14,090	3,353,592
-Birla Sunlife Medium Term Plan-Regular Growth	-	-	55,349	1,260,884
-Birla Sunlife Medium Term Plan- Growth	-	-	214,301	5,085,063
-ICICI Prudential Corporate Fund - Growth	557,582	11,612,200	557,582	10,645,632
-ICICI Prudential Saving Fund- Reg Growth	-	-	8,428	3,022,136
-Kotak Banking & PSU Debt Fund -Growth	88,392	4,129,363	88,392	3,733,651
-ICICI Prudential Saving Fund- Direct Growth	-	-	13,858	5,002,948
-Franklin India Corporate Bond Opportunities Fund-Growth	-	-	67,339	1,318,429
-Franklin India Income Opportunities Fund-Growth	-	-	58,816	1,312,704
-Templeton India Income Opportunities Fund-Growth	-	-	225,883	5,293,962
-Axis Banking & PSU debt Fund Direct -Growth	5,245	10,180,536	-	-
-Franklin India Credit Risk Fund -Growth	-	-	258,048	5,314,651
<b>Total (E)</b>		<b>29,611,824</b>		<b>45,343,652</b>
<b>3.4 - Alternative Investment Fund, Unquoted measured at FVTPL</b>				
- IIFL Real Estate Fund		6,157,943		7,284,326
- India Realty Excellence Fund II LLP		2,718,928		3,703,283
<b>Total (F)</b>		<b>8,876,871</b>		<b>10,987,609</b>
<b>Total (A+B+C+D+E+F)</b>		<b>221,025,809</b>		<b>320,221,315</b>
Aggregate amount of investment measured at FVTOCI ( B + C )		39,449,777		38,821,657
Aggregate Cost of investment measured at FVTOCI		35,472,000		35,472,000
Aggregate amount of investment measured at FVTPL ( A+D + E +F )		181,576,032		281,399,658
Aggregate Cost of investment measured at FVTPL		173,867,703		218,510,316
Aggregate Market value of Quoted Investments		210,448,561		307,462,469
Aggregate Cost value of Quoted Investments		199,621,903		242,411,160
Aggregate Market value of Unquoted Investments		10,577,248		12,758,846
Aggregate Cost of Unquoted Investments		9,717,797		11,571,156

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

## 4 LOANS AND ADVANCES

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Unsecured, Considered Good Security Deposits	17,70,593	18,96,997
Total	<u>17,70,593</u>	<u>18,96,997</u>

## 5 DEFERRED TAX ASSETS (NET)

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
a) Deferred Tax Asset/(Liability) on difference in net block as per Book and Income Tax	1,55,250	46,777
b) Deferred Tax Asset/(Liability) on fair value of investments	30,67,971	(20,05,895)
c) Deferred Tax Asset/(Liability) on Disallowance u/s 43 B	10,15,607	7,85,344
d) Deferred Tax Asset/ (Liability) on Merger Expenses	-	3,33,522
e) Deferred Tax Asset/(Liability) on fair value of forward Contract	(48,528)	-
f) Deferred Tax Asset/(Liability) on fair value of Liquid investment	(49,196)	-
Deferred Tax Asset /( Liability) Net	<u>41,41,104</u>	<u>(8,40,252)</u>

## 6 OTHER NON-CURRENT ASSETS

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Non-Current assets held for sale Leasehold Land & Building	5,94,18,159	5,94,18,159
Total	<u>5,94,18,159</u>	<u>5,94,18,159</u>

## 7 'INVENTORIES'

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
(Refer Note No. 1.4 Notes to the Financial Statements)		
a) Raw Materials	2,29,97,141	2,97,47,723
b) Work in Progress	2,20,395	93,710
c) Finished Goods	87,70,148	46,58,860
d) Stock-in trade	7,41,58,224	6,83,30,861
e) Packing Materials	3,11,944	2,64,913
f) Goods in Transit-Raw Material	50,14,568	24,47,145
g) Goods in Transit-Trading Material	25,12,391	1,82,15,116
Total	<u>11,39,84,811</u>	<u>12,37,58,328</u>

\* Valued, as certified by the management

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 8 INVESTMENTS

Particulars	As at 31/03/2020		As at 31/03/2019	
	Quantity	₹	Quantity	₹
A) Investment In Mutual Fund- Quoted, Fully Paid, Measured at FVTPL				
Debt Fund				
-Mirae Assets Cash Management Direct-Growth	8,102	1,69,69,982	-	-
-ICICI Prudential Flexible Income Fund-direct Div Reinvestment	-	-	2,47,971	2,62,19,433
-ICICI Prudential Flexible Income Fund-Div Reinvestment	38,691	40,91,018	45,340	47,94,073
-HDFC Liquid Fund -Growth	24,574	9,59,98,143	1,849	67,67,463
-HDFC Liquid Fund -Regular Growth	3,569	1,38,61,132	7,362	2,70,77,809
Total		<u>13,09,20,275</u>		<u>6,48,58,778</u>
Aggregate Market Value of Quoted Investments measured at- FVTPL		13,09,20,275		6,48,58,778
Aggregate Cost Value of Quoted Investments		12,56,36,235		6,43,04,993

### 9 TRADE RECEIVABLE

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Secured, Considered Good *	1,24,70,850	1,88,19,664
Unsecured		
a) Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	-	1,118
b) Others - Considered Good	7,37,98,360	6,74,34,312
Total	<u>8,62,69,210</u>	<u>8,62,55,094</u>

\* Secured trade receivables are against letter of credit.

### 10 CASH AND CASH EQUIVALENTS

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Balance with Banks :		
a) In Current Account	58,21,332	2,50,32,980
b) Cash on Hand	42,678	66,517
c) Other- Liquid Fund	2,13,16,111	1,35,30,105
Total	<u>2,71,80,121</u>	<u>3,86,29,602</u>

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

## 11 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
In Deposit Account (As Margin Money against Letter of Credits)	23,69,175	14,96,295
Balance with banks (unclaimed dividend)	23,79,681	23,14,855
<b>Total</b>	<b>47,48,856</b>	<b>38,11,150</b>

## 12 OTHER FINANCIAL ASSETS

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Unsecured, Considered Good		
Interest Receivable	19,01,497	11,51,442
Staff Loan	59,306	4,129
Others	3,08,357	44,787
<b>Total</b>	<b>22,69,160</b>	<b>12,00,358</b>

## 13 OTHER CURRENT ASSETS

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Unsecured, Considered Good		
Balance with GST & Custom Authorities	2,64,69,313	3,30,33,382
Prepaid Expenses	25,39,274	16,80,240
Advances to Suppliers	-	3,135
Focus Market Scheme Licence	-	1,22,878
Income Tax receivable	23,03,112	-
Others	7,28,113	5,21,772
<b>Total</b>	<b>3,20,39,812</b>	<b>3,53,61,407</b>

## 14 EQUITY SHARE CAPITAL

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	₹	No. of Shares	₹
<b>Authorised</b>				
Equity Share of ₹ 10/- each	1,67,50,000	16,75,00,000	1,67,50,000	16,75,00,000
1% Optionally Convertible Preference shares of ₹ 10/- each	75,00,000	7,50,00,000	75,00,000	7,50,00,000
0% Redeemable Preference shares of ₹ 10/- each	75,00,000	7,50,00,000	75,00,000	7,50,00,000
<b>Total</b>		<b>31,75,00,000</b>		<b>31,75,00,000</b>
<b>Issued, Subscribed &amp; Fully paid up</b>				
Equity Share of ₹ 10/- each	97,01,288	9,70,12,880	97,01,288	9,70,12,880
<b>Total</b>	<b>97,01,288</b>	<b>9,70,12,880</b>	<b>97,01,288</b>	<b>9,70,12,880</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

14.1 Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	₹	No. of Shares	₹
Reconciliation of Number of Equity Shares				
Balance as at beginning of the year	97,01,288	9,70,12,880	97,01,288	9,70,12,880
Balance at the end of the year	97,01,288	9,70,12,880	97,01,288	9,70,12,880

- 14.2** Rights, Preferences and restrictions attached to each class of shares :  
 Equity Shares: The company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

### 14.3 The details of shareholders holding more than 5% shares

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Name of Equity Shareholders				
Rishiroop Holding Pvt Ltd	21,60,000	22.27	21,60,000	22.27
Rishiroop Polymers Pvt Ltd	28,75,000	29.64	28,75,000	29.64
Rishiroop Investments & Trading Co. Pvt Ltd	5,98,500	6.17	5,98,500	6.17

As per records of the company, including its register of members, the above shareholding represents both legal and beneficial ownership of shares.

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

## 15 OTHER EQUITY

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
1) Capital Reserve As per Last Balance sheet	1,08,70,860	1,08,70,860
2) Capital Redemption Reserve As per Last Balance sheet	2,61,84,470	2,61,84,470
3) Securities Premium As per Last Balance sheet	14,90,50,241	14,90,50,241
4) General Reserve As per Last Balance sheet	2,15,00,000	2,05,00,000
Add : Transferred from Surplus in statement of Profit & Loss	-	10,00,000
	<u>2,15,00,000</u>	<u>2,15,00,000</u>
5) Statement of Profit & Loss As per Last Balance sheet	35,97,60,912	30,17,81,974
Add : IND AS 116 Lease opening reserve adjustment	(8,085)	-
Add : (Loss)/Profit transferred from Statement of Profit & Loss	(2,84,12,481)	7,30,13,837
Less : Dividend & Tax on Dividend	2,57,30,647	1,40,34,899
Less : Transfer to General Reserve	-	10,00,000
	<u>30,56,09,699</u>	<u>35,97,60,912</u>
6 ) Other Comprehensive Income		
a) Defined benefit Plan	(4,38,343)	(6,13,107)
Add: Gain on fair value during the year	-	1,74,764
Less : Loss on fair value during the year	(4,33,844)	-
	<u>(8,72,187)</u>	<u>(4,38,343)</u>
b) Fair Value on Debt Instruments	22,05,899	26,81,171
Add: Gain on fair value during the year	4,84,406	-
Less : Loss on fair value during the year	-	(4,75,272)
	<u>26,90,305</u>	<u>22,05,899</u>
<b>Total</b>	<u><b>51,50,33,387</b></u>	<u><b>56,91,34,039</b></u>

## 16 LONG TERM PROVISIONS

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Gratuity	6,15,640	4,21,927
Leave Salary	13,24,253	15,23,384
<b>Total</b>	<u><b>19,39,893</b></u>	<u><b>19,45,311</b></u>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 17 TRADE PAYABLES

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
(a) Total outstanding dues of micro enterprise and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprise and small enterprises	7,57,05,480	6,62,74,933
(c) Total outstanding dues of hedged creditors	40,31,503	1,19,10,609
<b>Total</b>	<b>7,97,36,983</b>	<b>7,81,85,542</b>

### 18 OTHER FINANCIAL LIABILITIES

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Unclaimed Dividends *	23,79,681	23,14,854
Employee benefits	19,17,099	16,94,671
Outstanding Liability For Expenses	9,55,641	5,54,975
Lease liability	40,13,228	-
<b>Total</b>	<b>92,65,649</b>	<b>45,64,501</b>

\* There are no amounts due and outstanding to be credited to investor Education and Protection Fund as at 31st March, 2020 under section 125 of the Companies Act, 2013.

### 19 OTHER CURRENT LIABILITIES

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
Advances from Customers	8,437	14,543
Duties & Taxes	11,32,943	17,99,578
Others	-	1,37,106
<b>Total</b>	<b>11,41,380</b>	<b>19,51,227</b>

### 20 SHORT TERM PROVISIONS

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
(a) Provisions for Employee Benefits		
Gratuity	12,16,411	5,83,485
Leave Salary	8,79,005	2,94,151
(b) Provisions for Tax		
Income Tax	-	11,76,922
<b>Total</b>	<b>20,95,416</b>	<b>20,54,558</b>

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020**21 REVENUE FROM OPERATION**

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
Sale of Products	40,55,13,782	60,64,89,011
Particulars of Products Sold		
Finished Goods		
- Polymers and Compound	14,45,47,849	27,17,64,058
- Service Income	46,34,310	38,50,080
Traded Goods		
- Polymers	22,38,38,490	30,81,33,970
- Resins	2,32,21,821	1,14,30,283
- Others	92,71,312	1,13,10,620
<b>Total</b>	<b>40,55,13,782</b>	<b>60,64,89,011</b>

**22 OTHER INCOME**

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
1. Interest		
a) Fixed Deposit with Bank	1,92,972	1,40,057
b) On Tax Free Bonds	21,55,004	21,55,004
c) On Other Bond	-	19,013
d) On NCD	9,10,000	1,81,370
e) Notional interest on Lease Hold Property Deposit	75,179	65,957
f) Others	8,28,734	15,39,418
2. Dividend	6,00,222	23,24,608
3. Foreign Exchange Gain	-	15,05,948
4. Short Term Gain on Sale of Investments	18,83,658	18,59,522
5. Long Term Gain on Sale of Investments	-	11,15,876
6. Profit on sale of Fixed Assets	4,57,807	38,168
7. Profit on Investment with AIF	1,38,746	-
8. Gain on Fair Value of Investment	-	1,06,73,250
9. Gain on Fair Value of Liquid Fund	1,95,471	30,105
10. Others	2,29,204	17,80,589
<b>Total</b>	<b>76,66,997</b>	<b>2,34,28,885</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 23 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
<b>RAW MATERIALS</b>		
1. Synthetic Rubber	7,76,44,397	13,40,51,016
2. P.V.C.	1,91,51,788	3,00,29,013
3. Others	1,72,61,000	2,77,65,796
<b>Total</b>	<b>11,40,57,186</b>	<b>19,18,45,825</b>
<b>PACKING MATERIALS</b>	<b>12,37,084</b>	<b>16,79,942</b>
<b>Total</b>	<b>11,52,94,270</b>	<b>19,35,25,767</b>

### 24 PURCHASE OF STOCK - IN - TRADE

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
1. Polymers	17,17,45,655	23,07,31,561
2. Resins	2,11,38,700	1,16,10,115
3. Others	3,22,95,856	21,86,032
<b>Total</b>	<b>22,51,80,211</b>	<b>24,45,27,708</b>

### 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK -IN- PROGRESS AND STOCK-IN TRADE

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
<b>Closing Stock</b>		
1. Finished Goods	87,70,148	46,58,860
2. Stock - in - Trade	7,41,58,225	6,83,30,861
3. Work in Progress	2,20,395	93,710
	<b>8,31,48,768</b>	<b>7,30,83,431</b>
<b>Opening Stock</b>		
1. Finished Goods	46,58,860	1,12,30,037
2. Stock - in - Trade	6,83,30,861	9,94,76,709
3. Work in Progress	93,710	19,363
	<b>7,30,83,431</b>	<b>11,07,26,109</b>
<b>(Increase)/Decrease in Stock</b>	<b>(1,00,65,337)</b>	<b>3,76,42,678</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 26 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
1. Salary, Wages, Allowances & Bonus	3,15,15,224	2,85,41,256
2. Contribution to Provident, Gratuity and Other Funds	27,18,776	27,05,519
3. Staff Welfare Expenses	7,08,560	3,47,887
<b>Total</b>	<b>3,49,42,560</b>	<b>3,15,94,662</b>

#### 26.1 Employee Benefits

The Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary ( last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.

The following tables summarise :

Particulars	2019-20		2018-19	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
<b>The amounts Recognised in the Balance Sheet :</b>				
Present value of funded obligations	Nil	70,29,833	Nil	58,35,454
Fair value of plan assets	Nil	(51,97,782)	Nil	(48,30,042)
Present value of unfunded obligations	22,03,258	-	18,17,535	-
Unrecognised past service cost	Nil	Nil	Nil	Nil
Net Liability	22,03,258	18,32,051	18,17,535	10,05,412
<b>Amounts in the balance sheet</b>				
Liabilities	22,03,258	70,29,833	18,17,535	58,35,454
Assets	Nil	(51,97,782)	Nil	(48,30,042)
Net Liability	22,03,258	18,32,051	18,17,535	10,05,412
<b>Amounts Recognised in the statement of Profit &amp; Loss Account:</b>				
Current service cost	3,82,568	5,83,485	3,45,959	5,28,455
Interest on obligation	1,24,449	53,169	1,23,386	81,457
Expected return on plan assets	Nil	-	Nil	-
Net value of remeasurements on obligation and plan assets	3,71,988	6,36,654	1,44,975	6,09,912
Past service cost	-	-	-	-
Losses (gains) on curtailments and settlement	Nil	Nil	Nil	Nil
Total included in employee benefit expenses	8,79,005	6,36,654	6,14,320	6,09,912
Adjustment to the Opening fund	-	-	-	-
Total Charge to Profit & Loss	8,79,005	6,36,654	6,14,320	6,09,912
<b>Other Comprehensive Income for the current period</b>				
Due to change in financial assumptions	-	3,82,544	-	90,862
Due to change in demographic assumptions	-	(2,331)	-	-
Due to experience adjustments	-	2,23,513	-	(2,81,126)

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

Return on plan assets excluding amounts included in interest Income	-	(23,969)	-	(51,859)
Amount recognized in Other Comprehensive Income	-	5,79,757	-	(2,42,123)
<b>Changes in the present value of the defined benefit obligation representing reconciliation of Opening &amp; Closing balances thereof :</b>				
Opening defined obligation as on 01/04/2019	18,17,535	58,35,454	16,12,885	51,44,935
Service cost for the year	3,82,568	5,83,485	3,45,959	5,28,455
Interest cost	1,24,449	3,89,322	1,23,386	3,52,328
Actuarial losses (gains) on obligations:				
Due to change in financial assumptions	1,25,468	3,82,544	30,173	90,862
Due to change in demographic assumptions	(704)	(2,331)	-	-
Due to experience adjustments	2,47,224	2,23,513	1,14,802	(2,81,126)
Past Service Cost	-	-	-	-
Benefit paid	(4,93,282)	(3,82,154)	(4,09,670)	-
Closing defined benefit obligation as on 31/03/2020	22,03,258	70,29,833	18,17,535	58,35,454
<b>Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof :</b>				
Opening fair value of plan assets	Nil	48,30,042	Nil	38,15,914
Interest Income	Nil	3,36,153	Nil	2,70,871
Adjustment to the fund				-
Return on plan assets excluding amount included in interest income.	Nil	23,969	Nil	51,859
Assets distributed on settlements	Nil	(3,82,154)	Nil	-
Contribution by employer	Nil	3,89,772	Nil	6,91,398
Closing balance of Fund	Nil	51,97,782	Nil	48,30,042
<b>Principal actuarial assumptions at the balance sheet date :</b> (Expressed as weighted averages)				
Discount rate ( p.a.) %	6.80%	6.80%	7.45%	7.45%
Expected return on plan assets (p.a) %	0%	6.80%	0%	7.45%
Proportion of employee opting early retirement	Nil		Nil	Nil
Annual increase in salary costs %	6.50%	6.50%	6.50%	6.50%
<b>Mortality Rates : Indian assured live mortality (2006-08) table</b>				
Age (In years)				
20	0.09%	0.09%	0.09%	0.09%
30	0.10%	0.10%	0.11%	0.11%
40	0.17%	0.17%	0.18%	0.18%
50	0.44%	0.44%	0.49%	0.49%
60	1.12%	1.12%	1.15%	1.15%
<b>Amount for the current and previous periods :</b>				
Defined benefit obligation	22,03,258	70,29,833	18,17,535	58,35,454
Plan assets	-	51,97,782	-	48,30,042
Surplus/(deficit)	(22,03,258)	(18,32,051)	(18,17,535)	(10,05,412)

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020**27 FINANCE COST**

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
Bank & Other Charges	19,56,517	25,87,805
Interest on Lease Liability	4,06,891	-
<b>Total</b>	<b>23,63,408</b>	<b>25,87,805</b>

**28 OTHER EXPENSES**

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
1. Power, Water and Fuel	38,07,414	43,63,387
2. Rent		
a) Actual rent	-	17,22,720
b) Notional rent (IND AS adjustment)	75,179	65,957
3. Rates & Taxes	9,78,438	6,99,524
4. Insurance	6,38,545	7,29,832
5. Directors Sitting Fees	8,45,000	6,15,000
6. Payment to Auditors	4,29,893	3,60,816
7. Legal & Professional Fees	14,95,410	13,87,885
8. Export Expenses	59,15,157	70,70,880
9. Carriage & Freight	20,19,797	11,04,324
10. Repairs & Maintenance	5,71,112	7,10,201
11. Travelling Expenses	24,09,781	24,86,092
12. CSR Expenses	13,75,101	10,87,349
13. Foreign Exchange Fluctuation	6,18,359	-
14. Long term Loss on sale of investments	1,74,888	-
15. Loss on fair valuation of investments	4,49,73,624	-
16. Bad Debt	1,35,620	32,394
17. Miscellaneous Expenses	67,73,764	80,07,217
<b>Total</b>	<b>7,32,37,082</b>	<b>3,04,43,578</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 29 EARNING PER EQUITY SHARE :

Particulars	For the year ended 31/03/2020 ₹	For the year ended 31/03/2019 ₹
Basic Earning Per Shares (Loss)/Profit after tax as per statement of Profit & Loss (a)	(2,84,12,481)	7,30,13,837
Weighted average number of equity shares outstanding during the period (b)	97,01,288	97,01,288
Basic Earning Per Share (a/b)	-2.93	7.53
Diluted Earning Per Share (Loss)/Profit after tax as per statement of Profit & Loss (a)	(2,84,12,481)	7,30,13,837
Weighted average number of equity shares outstanding during the year	97,01,288	97,01,288
Weighted average number of equity shares outstanding for diluted EPS (b)	97,01,288	97,01,288
Diluted Earning Per Share (a/b)	-2.93	7.53
Nominal Value per Share	10	10

### 30 CONSUMPTION OF RAW MATERIALS,PACKING MATERIALS AND STORES & SPARES :

Particulars	2019-2020		2018-2019	
	%	₹	%	₹
Raw Materials				
a) Imported	81	9,25,83,990	84	16,17,64,270
b) Indigenous	19	2,14,73,197	16	3,00,81,555
Total	100	11,40,57,187	100	19,18,45,825
Stores & Spares				
Indigenous	100	1,26,392	100	1,58,512
Packing Materials				
Indigenous	100	12,37,084	100	16,79,942

### 31 CIF VALUE OF IMPORTS

Particulars	2019-2020 ₹	2018-2019 ₹
CIF Vale of Import Material (Including Goods in Transit )	26,80,55,087	38,24,36,140

### 32 EARNING IN FOREIGN CURRENCY

Particulars	2019-2020 ₹	2018-2019 ₹
FOB Value of Export Goods	8,02,29,740	12,28,50,307

### 33 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2019-2020	2018-2019
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Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

	₹	₹
Repair & Maintenance - Machinery	72,049	1,67,491
Foreign Travelling Expenses	3,90,066	2,33,326

**34 EXPENDITURE IN FOREIGN CURRENCY**

Particulars	2019-2020	2018-2019
	₹	₹
(a) Audit Fees	2,25,000	2,00,000
(b) Tax Audit Fees	50,000	50,000
(c) Certification & Review	50,000	50,000
(d) Expenses Reimbursed	1,04,893	60,816
<b>Total</b>	<b>4,29,893</b>	<b>3,60,816</b>

**35 Related Party Information :**

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties are as under:

**1 (a) Directors and their relatives**

1. Arvind Kapoor	Chairman
2. Aditya Kapoor	Managing Director
3. Atul Shah	Director
4. Hemant Vakil	Independent Director
5. Dilip Shah	Independent Director
6. Vijyatta Jaiswal	Independent Director
7. Gouri Kapoor	Relative of Managing Director
8. Radhika Kapoor	Relative of Managing Director
9. Shradha Khanna	Relative of Managing Director

**(b) Key Management Personnels**

1. Suresh Khilnani	Chief Financial Officer
2. Agnelo Fernandes	Company Secretary

**(c) Enterprises under significant influence**

1. Rishiroop Polymers Pvt Ltd	5. Rishiroop Holding Pvt Ltd
2. Devi Organics Pvt Ltd	6. Rishichem Mideast Ltd
3. Rishichem Distributors Pvt Ltd	7. Raga Holdings
4. Rishiroop Investments & Trading Co. Pvt Ltd	8. Puneet Polymers

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 2 Nature of Transactions:

The Transaction with the related parties have been entered in the ordinary course of business and are at arm's length.

Particulars	2019-20		2018-19	
	Referred in 1 (a) above ₹	Referred in 1 (b) & (c) above ₹	Referred in 1 (a) above ₹	Referred in 1 (b) & (c) above ₹
<b>A. Dividends</b>				
<b>(a) Directors and their relatives</b>				
1. Arvind Kapoor	5,94,000		3,23,688	
2. Aditya Kapoor	4,84,220		2,64,120	
3. Gouri Kapoor	4,68,897		2,37,600	
4. Shradha Khanna	3,23,280		1,70,880	
5. Radhika Kapoor	32,306		6,000	
6. Atul shah	220		120	
7. Hemant Vakil	132		72	
<b>(b) Enterprises under significant influence with whom company had transactions</b>				
1. Rishiroop Polymers Pvt Ltd		63,25,000		34,48,307
2. Rishiroop Holding Pvt Ltd		47,52,000		25,88,581
3. Rishiroop Investments & Trading Co. Pvt Ltd		13,16,700		7,12,200
4. Devi Organics Pvt Ltd		8,04,320		4,38,720
<b>B. Remuneration to Key Management Personnel</b>				
1. Aditya Kapoor - Managing Director	64,96,376		54,60,276	
2. Suresh Khilnani - Chief Financial Officer	19,78,453		17,50,620	
3. Agnelo Fernandes - Company Secretary	18,02,520		15,76,600	
<b>C. Sitting Fees of Directors</b>				
1. Arvind Kappor	2,00,000		1,00,000	
2. Atul shah	1,20,000		1,05,000	
3. Hemant Vakil	1,75,000		1,45,000	
4. Dilip Shah	1,65,000		1,35,000	
5. Vijyatta Jaiswal	1,85,000		1,30,000	
<b>D. Sale of goods to Enterprise under significant influence</b>				
1. Rishichem Mideast Limited		33,88,747		71,70,952
2. Rishichem Distributors Pvt Ltd		81,420		-
<b>E. Purchase of goods from Enterprise under significant influence</b>				
1. Rishiroop Polymers Pvt Ltd		-		66,080

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 36 CSR Expenditure

As per Section 135 of Companies Act, 2013, a CSR committee has been constituted by the Company. Pursuant to the Company's CSR policy, the CSR committee has identified a project at Nasik and has authorised expenditure ₹ 13,81,834/-

(a) Amount spent during the year on account of balance of previous year -	1,05,875
(b) Gross amount required to be spent by the company during the year -	13,81,834
(c) Amount spent during the year 2019-2020	12,69,226

### 37 LEASES

Effective from April 1, 2019, the company adopted Ind AS 116 "Lease", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature of expenses in respect of certain leases under erstwhile standard has changed from 'Lease Rental' to Depreciation & Amortization expenses and 'Finance cost' for the Right to use assets and on Lease Liability respectively. The adoption of the Standard, the current year profit has been reduced by ₹ 1,59,164/-.

#### 37.1 LEASE LIABILITY PAID AND PAYABLE

Particulars	2019-2020 ₹	2018-2019 ₹
Lease liability paid during the year	19,07,017	-
Lease liability payable not more than 1 year	19,76,310	-
Lease liability payable not more than 5 year	20,36,919	-

### 38 SEGMENT INFORMATION

#### 38.1 Primary Segment

The Company is engaged in the one business segment i.e. Polymers & Compounds and it is primary segment.

#### 38.2 Secondary Segment

The Company has two geographical segments based upon location of its customers with and outside India.

Particulars	2019-2020 ₹	2018-2019 ₹
Revenue		
India	32,24,86,624	48,01,49,978
Outside India	8,30,27,158	12,63,39,033
Total	<u>40,55,13,782</u>	<u>60,64,89,011</u>
Assets ( Trade Receivable)		
India	7,37,98,360	6,74,35,430
Outside India (Export Receivables)	1,24,70,850	1,88,19,664
Total	<u>8,62,69,210</u>	<u>8,62,55,094</u>

38.3 The company has business operations only in India and does not hold any fixed / financial assets outside India.

#### 38.4 Revenue from Major Customers

	2019-2020 ₹	2018-2019 ₹
Customer that accounts for more than 10% of the Company's revenue.	4,12,49,770	8,13,74,438

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 39 Derivative Instruments

The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party in such forward contracts is a bank. These contracts are entered to hedge the foreign currency risks on the firm commitments. Details of forward contract outstanding as at the year end.

#### 39.1 Forward contracts

Particulars	At the year ended Exposure to buy / sell	Foreign Currency US Dollars	INR ₹
Forward Contracts	Buy	53,088	40,13,771

#### 39.2 Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	2019-20		2018-19	
	USD/EURO	INR	USD/EURO	INR
Payable against import of goods	9,70,082	7,36,68,027	10,75,936	7,49,06,660
Hedged	53,088	40,13,771	1,70,961	1,19,10,609
Not Hedged	9,16,994	6,96,54,256	9,04,975	6,29,96,051
Receivable against export of goods & Services	1,66,500	1,24,70,850	2,74,860	1,88,19,664

### 40 CONTINGENT LIABILITIES

	A. Y.	As at 31.03.2020	As at 31.03.2019
Income tax liability that may arise in respect of matters in appeal to various authorities	2006-2007	8,13,835	8,13,835
	2007-2008	11,05,943	11,05,943
	2009-2010	30,897	30,897
	2011-2012	1,47,860	1,47,860
	2012-2013	27,51,330	27,51,330
	2015-16 & 2016-17	2,56,413	2,56,413
Customs duty liability that may arise in respect of matters in appeal to the Authorities	Total	51,06,278	51,06,278

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 41 Risk Management

#### 41.1 Financial Risk Managements

In the course of its business, the Company is exposed to a number of financial risks: Liquidity Risk, Credit Risk, Market Risk. This note present the Company's objective, policies and processes for managing its financial risk and capital.

#### 41.2 Liquidity Risk

Liquidity Risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors rolling forecast to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

#### 41.3 Credit Risk

Credit Risk refers to risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company has following categories of financial assets that are subject to credit risk evaluation;

##### 41.3.1 Trade receivable

Credit risk arising from trade receivable is managed in accordance with the Company's established policies with regard to credit limits, control and approval procedures.

##### 41.3.2 Other financial assets

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

The Company's maximum exposure to credit risk for each of the above categories of financial assets in their carrying values at the reporting dates.

#### 41.4 Market Risk

##### 41.4.1 Interest rate risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. Also, there are no significant borrowings as at the balance sheet date.

##### 41.4.2 Price Risk

Price Risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in mutual funds and investment in equity instruments.

##### 41.4.3 Foreign currency risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates.

The Company is exposed to foreign currency risk arising out of transactions in foreign currency. Foreign exchange risk are managed in accordance with the Company's established policy for foreign exchange management. The Company enters into forward contracts as per the hedging policy to hedge against its foreign currency exposures. The impact of strengthening /weakening of foreign currencies on the outstanding exposures remaining unhedged at the year-end is not significant .

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 41.4.4 Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	2019-20		2018-19	
	USD/EURO	INR	USD/EURO	INR
Payable against import of goods	9,70,082	7,36,68,027	9,04,975	6,29,96,051
Receivable against export of goods & Services	1,66,500	1,24,70,850	2,74,860	1,88,19,664

### 41.4.5 Impact of Covid - 19

The outbreak of Coronavirus ( Covid-19 ) pandemic is causing the disturbance and slowdown of economic activities through the world and is impacting the operation of the business, by way of interruption in production, supply chain disruption, unavailability of personnel's, the closure of production facilities, suspension of trading activities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown initially for 21 days which further got extended from time to time till 3rd May 2020 to prevent community spread of COVID-19 in company zone.

In accordance with orders issued by the central and state government authorities, the plant of the company and trading activities were temporarily shut down in March 2020 and subsequent to the year-end, plant has recommenced operations in compliance with the applicable guidelines. Due to implementation of lockdown in March 2020, the company lost sizeable revenue. The Management has performed detailed assessment of its liquidity position and recoverability of the Assets as at the Balance Sheet date and has concluded that based on current indicators of the future economic condition, However, there is no material impact on the carrying value of the current assets. In evaluating the possible impact due to COVID-19, the company has used internal and external sources of information available till date. Considering the nature of COVID-19, the company will continue to closely monitor any material changes to future economic conditions impact on its business, if any.

The Company on the basis of internal assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk & own credit risk while assessing and measuring expected credit loss. The Company continues to believe that there is no material impact on the realizability of the financial assets.

Financial investments carried at fair value as at March 31, 2020 is ₹ 35,19,46,084/-. A significant part of the financial assets are classified as Level 1 having fair value of ₹ 34,13,68,836/- as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainty arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity & debt mutual funds which have subsequent to the balance sheet date recovered some of the losses incurred and hence do not warrant any further provision for diminution in value. More over a substantial amount of ₹ 13,09,20,275/- is in liquid debt securities and accordingly, any material volatility is not expected.

## 42 Payment of Dividend

### 42.1 Dividend paid during the year

Final dividend at ₹ 1.20/- per equity share of ₹ 10/- each for the year 2018-2019 ₹ 1,16,41,545/- (excluding dividend distribution tax).

An Interim dividend @ ₹ 1.00 per equity share of ₹ 10 each for the year 2019-20 ₹ 97,01,288/- (excluding dividend distribution tax).

### 42.2 Dividend

The Board of Directors of the Company in the Board Meeting held on February 24, 2020 declared an interim dividend @ 10% ( ₹ 1.00/- per share) on the equity shares of face value ₹ 10/- each for the year ended March 31, 2020, resulting in dividend payout of ₹ 97,01,288/- for the year 2019-2020.

No further dividend is proposed for the financial year 2019-2020, and in ensuing AGM, it is proposed to confirm the payment of interim dividend @ 10 % as the final dividend for the year 2019-2020.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 43 Income Tax

Tax Expenses	For the year ended 31-03-2020	For the year ended 31-03-2019
<b>Recognised in the statement of profit &amp; loss</b>		
Current tax	34,00,000	2,02,00,000
Deferred tax	(49,79,157)	(81,26,443)
	(15,79,157)	1,20,73,557
<b>Recognised in other comprehensive income</b>		
Deferred tax	(2,199)	(1,15,823)
	(2,199)	(1,15,823)
<b>Total Taxes</b>		
Current tax	34,00,000	2,02,00,000
Deferred tax	(49,81,355)	(82,42,266)
	(15,81,355)	1,19,57,734

The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended 31-03-2020	For the year ended 31-03-2019
<b>(Loss) / Profit before tax</b>	(3,31,47,498)	8,50,87,394
Statutory income tax rate	25.17%	27.82%
Tax expenses	(83,42,562)	2,36,71,313
Effect of :		
Expenses disallowed for tax expenses	3,46,085	6,14,607
Non-taxable income	(6,95,281)	(1,24,91,397)
Income taxed at higher / (lower) rate	71,85,023	2,39,391
Others	(74,620)	(76,180)
	67,61,207	(1,17,13,579)
<b>Total Tax Expenses</b>	(15,81,355)	1,19,57,734

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 44 Financial Instrument

#### (a) Financial Instrument by category

Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
<b>Measured at Amortised Cost</b>		
- Trade Receivables	8,62,69,210	8,62,55,094
- Cash and Cash Equivalents	58,64,010	2,50,99,497
- Bank Balance other than Cash and Cash Equivalents	47,48,856	38,11,150
- Other Financial Assets	22,69,160	12,00,358
- Loans and advances	17,70,593	18,96,997
<b>Measured at Fair Value through Profit &amp; Loss</b>		
- Investment - Non-current	18,15,76,032	28,13,99,658
- Investment - Current	13,09,20,275	6,48,58,778
-Cash & Cash equivalent- Other (Axis Liquid Fund)	2,13,16,111	1,35,30,105
<b>Measured at Fair Value through other comprehensive income</b>		
- Investment - Non-current	3,94,49,777	3,88,21,657
<b>Financial Liabilities</b>		
<b>Measured at Amortised Cost</b>		
- Trade Payables	7,97,36,983	7,81,85,542
- Other Financial Liabilities	92,65,649	45,64,501

#### (b) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels :

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

Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The Investments included in level 3 of fair value heirachy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

The Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

	Level 1	Level 2	Level 3
<b>As at March 31, 2020</b>			
Measured at Fair Value through Profit & Loss			
- Investment - Non-current	17,09,98,784	-	1,05,77,248
- Investment - Current	13,09,20,275	-	-
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	3,94,49,777	-	-
<b>As at March 31, 2019</b>	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
- Investment - Non-current	26,86,40,812	-	1,27,58,846
- Investment - Current	6,48,58,778	-	-
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	3,88,21,657	-	-

### 45 Capital Commitments

The estimated amount of contracts remaining to be executed on capital account not provided for as on the date of the Balance sheet is ₹ 2,00,000/- (P.Y. NIL)

46 Previous year figures have been re-grouped, re-cast and re-arranged wherever necessary.

As per our report attached of even date

For Jayesh Dadia & Associates LLP  
Chartered Accountants  
FRN: 121142W / W100122

Rahil Dadia  
Partner  
Membership No. :- 143181

Place : Mumbai  
Dated : 29th June, 2020

For and on behalf of the Board

Arvind Kapoor	Chairman
DIN : 00002704	
Aditya Kapoor	Managing Director
DIN : 00003019	
Dilip Shah	Independent Director
DIN : 00005072	
Agnelo Fernandes	Company Secretary & Compliance Officer
Suresh Khilnani	Chief Financial Officer





**CSR PROJECT - PURCHASE OF COMPUTERS AND LOOMS  
FOR SKILL DEVELOPMENT OF DEAF AND DUMB STUDENTS IN  
SAMTHA PRATISHTHAN, YEOLA, NASHIK**



