

HERANBA INDUSTRIES LIMITED**CIN: U24231GJ1992PLC017315**

Registered Office	:	Plot No. 1504 / 1505 / 1506/1 GIDC, Phase-III, Vapi, Valsad – 396 195 Tel No.: +91 260 240 1646
Corporate Office	:	101 / 102, Kanchanganga, Factory Lane, Borivali (W), Mumbai– 400092 Tel No.: +91 22 2898 7912
Admin office	:	Office No. 301, Soni Shopping Centre, L. T. Road, Borivali West, Mumbai - 400 092 Tel: +91 22 5070 5199
Factory Location	:	(1) Unit No-1 at Plot No-1503/1504/1505/1506/1, GIDC, Phase III, Vapi, Dist-Valsad-396195 (2) Unit No-II at Plot No-A2-2214/15, GIDC, Phase III, Vapi, Dist-Valsad-396195 (3) Plot No. 2817/1 at Sarigam Industrial Estate, G.I.D.C., Sarigam, Taluka-Umbergaon, District-Valsad,
Website	:	www.heranba.co.in ,
E-mail	:	contact@heranba.com

CORPORATE INFORMATION

<p>BOARD OF DIRECTORS</p> <p><u>Chairman</u> Mr. Sadashiv Kanyana Shetty</p> <p><u>Managing Director</u> Mr. Raghuram Kanyan Shetty</p> <p><u>Executive Directors</u> Mrs. Sujata Sadashiv Shetty Mrs. Vanita Raghuram Shetty Mr. Raunak Raghuram Shetty</p> <p><u>Independent Directors</u> Mr. Kaushik Hasmukhlal Gandhi Mr. Mulky Vishwanatha Shetty Mr. Anilkumar Mohanraj Marlecha Mr. Ganesh Narayan Vanmali Mr. Nimesh Sahadeo Singh</p> <p><u>KEY MANAGERIAL PERSONNEL (KMP)</u> Mr. Maheshwar Vasant Godbole -----Chief Financial Officer Mr. Abdul Latif -----Company Secretary</p>	<p>COMMITTEE OF BOARD</p> <p><u>AUDIT COMMITTEE</u> Mr. Kaushik Hasmukhlal Gandhi Chairman Mr. Mulky Vishwanatha Shetty Member Mr. Ganesh Narayan Vanmali Member</p> <p><u>STAKEHOLDERS' RELATIONSHIP COMMITTEE</u> Mr. Anilkumar Mohanraj Marlecha Chairman Mr. Raghuram Kanyan Shetty Member Mr. Ganesh Narayan Vanmali Member</p> <p><u>NOMINATION AND REMUNERATION COMMITTEE</u> Mr. Kaushik Hasmukhlal Gandhi Chairman Mr. Mulky Vishwanatha Shetty Member Mr. Anilkumar Mohanraj Marlecha Member</p> <p><u>CSR COMMITTEE</u> Mr. Mulky Vishwanatha Shetty Chairman Mr. Kaushik Hasmukhlal Gandhi Member Mr. Sadashiv Kanyana Shetty Member</p>
<p><u>STATUTORY AUDITOR</u> N. S. Shetty & Co -Chartered Accountants</p> <p><u>SECRETARIAL AUDITOR</u> K. C. Suthar & Co. -Practicing Company Secretary</p> <p><u>COST AUDITOR</u> Mr. Jayant J. Palejart -Cost Accountants</p>	<p><u>BANKERS</u> Bank of Baroda-Kandivali, Mumbai Corporation Bank –Kalbadevi, Mumbai, Synadicate Bank,- Ashram Road, Ahmadabad.</p> <p><u>REGISTRAR & SHARE TRANSFER AGENT</u> BIGSHARE SERVICES PRIVATE LIMITED 1ST Floor , Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri- East, Mumbai-400059</p>

NOTICE

NOTICE is hereby given that the **28th ANNUAL GENERAL MEETING** of the Members of **HERANBA INDUSTRIES LIMITED** will be held at Plot No 1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195 India on Monday, 28th **day of September, 2020** at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. Adoption of the Financial Statements and Report of the Board of Directors and Auditors thereon

To receive, consider and adopt the financial statements, namely (i) the Audited Balance Sheet as at March 31, 2020, (ii) the Audited Profit and Loss Account for the financial year ended March 31, 2020, (iii) the Audited Cash Flow Statement for the financial year ended March 31, 2020, (iv) Statement of Changes in Equity as on March 31, 2020, (v) Notes annexed to, or forming part of, the documents referred to in (i) to (iv) above and the reports of the Board of Directors and the Auditors thereon..

2. Declaration of Dividend on Equity Shares

To confirm the payment of Interim Dividend of Rs.1.50 per equity share already paid for the financial year as the Final Dividend for the Financial Year 2019-20.

3. Appointment of Mrs. Sujata S Shetty Executive Director, liable to retire by rotation

To appoint a director in place of **Mrs. Sujata S Shetty**, retired by rotation being eligible for the re-appointment, offers himself for re-appointment.

4. Appointment of Mr. Raunak R Shetty, Executive Director, liable to retire by rotation

To appoint a director in place of **Mr. Raunak R Shetty**, retired by rotation being eligible for the re-appointment, offers herself for re-appointment.

5. Ratification of the appointment of the Statutory Auditor

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

“Resolved that, in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, or any amendment thereto or modification thereof, the appointment of Messrs. N. S. Shetty & Co., Chartered Accountants (Registration No. 302009E), as the Auditors of the Company be and is hereby ratified from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting, and the Board be authorized to decide the remuneration payable to Messrs. N. S. Shetty & Co. to conduct the audit for the financial year 2020-21.”

SPECIAL BUSINESS:**6. Ratification of the remuneration to be paid to the Cost Auditor**

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

“RESOLVED THAT, in accordance with the provisions of Section 148 of the Companies Act, 2013, the remuneration of M/s J.J Paleja & Co., Cost Accountants (Registration no: 100656)., Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of Cost Records maintained in respect of all applicable products of the Company, pertaining to pesticides, for the financial year 2020-21, at Rs 45000/- (Rupees Forty Five Thousand only) plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.

7. Reclassification of Mr. Babu Kunjanna Shetty, Mrs. Sandhya Vittal Bhandary And Mr. Vittala Kinhanna Bhandary from “Promoter Category” to “Public Category”

To consider and, if thought fit, to pass the following resolution with or without modifications, as an Ordinary Resolution:

“RESOLVED THAT pursuant all applicable provisions of the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s) or modification(s) made thereto from time to time and any other laws and regulations as may be applicable from time to time, and subject to the necessary approvals of the appropriate statutory authorities as may be necessary, the consent of the members of the Company be and is hereby accorded for re-classification of following persons from Promoter/Promoter group category to Public category, since the persons are neither involved in the management of the Company nor exercise control over the affairs of the Company directly or indirectly and hold not more than 10% of the total voting rights in the Company and also none of the following persons have entered into any shareholder’s or other agreement with the Company nor they have any veto rights or special information rights or special rights as to voting power or control of the Company:

Sl.No.	Name of the Shareholders	No of Shares held	% of total share capital
1	Mr. Babu Kunjanna Shetty	1,50,000	0.38
2	Mrs. Sandhya Vittal Bhandary	1,50,000	0.38
3	Mr. Vittala Kinhanna Bhandary	1,50,000	0.38
TOTAL		4,50,000	1.14

“RESOLVED FURTHER THAT, it is hereby confirmed that, the aforesaid persons seeking reclassification:

- i. Do not hold more than ten percent of the total voting rights in the Company;
- ii. Do not exercise control over the affairs of the Company directly or indirectly;
- iii. Do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- iv. Have not been represented on the Board of Directors (including not having a nominee director) of the Company;
- v. Have never act as a key managerial person in the Company;
- vi. Are not a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines; and
- vii. Are not a fugitive economic offender.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution for Re-classification of Promoter/ Promoter Group to Public Shareholding, the Board or the officers authorized by the Board in this regard be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard and to submit all the requisite applications, representations, filings etc. with the Stock Exchanges and other regulatory authorities as may be required in this regard without requiring the Board to secure any further consent or approval of the members of the Company”

8. Enter into Related Party Transactions

To consider and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution

“RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) to enter into the related party transaction by the Company with the respective related parties and for the maximum amount per annum as mentioned herein below provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company:

Sl. No	Nature of Transaction	Name of Related Party	Name of Director/KMP who is related	Maximum Amount in one Financial Year
1	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Shakti Bioscience Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty	Rs. 10 (Ten) Crores
2	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Sams Industries Limited	Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 10 (Ten) Crores
3	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Heranba Agrosience Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 5 (Five) Crores
4	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Heranba Crop Care Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 5 (Five) Crores
5	Availing the Professional Services	Shreya M Shetty	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty	Rs. 25 (Twenty Five) Lakhs
6	Availing the Professional Services	Roshan R Shetty	Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 25 (Twenty Five) Lakhs
7	Appointment and Remuneration payable to the relative of the Director	Mr. Shriraj S Shetty, Technical Manager	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty	Rs. 1.10 Lakhs per Month
8	Job Work Arrangement / Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Insunt Trading Private Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty Mr. Raghuram K Shetty	Rs. 10 (Ten) Crores

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

For Heranba Industries Ltd.

Sadashiv K. Shetty
Chairman
DIN No.: 00038681
Place: Mumbai
Date: August 21, 2020

Note:

- 1. A Member Entitled To Attend And Vote At The AGM, Is Entitled To Appoint A Proxy To Attend And Vote In The Meeting Instead Of Himself / Herself, And The Proxy Need Not Be A Member Of The Company. A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company.*
- 2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.*
- 3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.*
- 4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.*
- 5. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.*
- 6. Members are requested to notify any correction /change in their name /address including Pin Code number immediately to the Companies Register/ Depository Participant .In the event of non – availability of Members latest address either in the Companies records or in Depository Participant's records, members are likely to miss notice and other valuable correspondence sent by the company.*

7. *With a view to using natural resources responsibly, we request shareholders to update their email address, with their Depository Participants to enable the Company to send communications electronically. The Annual Report 2019-20 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2019-20 are being sent by the permitted mode.*

EXPLANATORY STATEMENT

Explanatory Statement pursuant to section 102 (1) of the Companies Act 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 6, 7 & 8 of the accompanying Notice dated August 21, 2020:

Item No: 6

The Board of Directors of the Company ('the Board') at the meeting held on 04th June, 2020, on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. J. J. Paleja of M/s J. J. Paleja & Co., Cost Accountant, (Registration no: 100656) to conduct audit of Cost Records maintained by the Company in respect of 'Insecticides products, for the financial year 2020-21. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration of the Cost Auditors needs ratification by the Members of the Company.

The Board of Directors of your Company recommends this resolution as set out under item no.6 for your approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise in the resolution set out in item no.6 above.

Item No. 7:

The Company had received letter from the following persons falling under the category of Promoter/ Promoter Group of the Company requesting the Company for reclassification of their Shareholding from the category of "Promoter/Promoter Group" to "Public category

Sl.No.	Name of the Shareholders	No of Shares held	% of total share capital
1	Mr. Babu Kunjanna Shetty	1,50,000	0.38
2	Mrs. Sandhya Vittal Bhandary	1,50,000	0.38
3	Mr. Vittala Kinhanna Bhandary	1,50,000	0.38
TOTAL		4,50,000	1.14

The aforesaid persons were associated with the Company as a Shareholder since 1996. The Company had identified the aforesaid persons under the category of Promoter/ Promoter Group of the Company and accordingly filed the Annual Return with Registrar of Companies. Further in the last Draft Red Herring Prospectus filed by the Company with The Securities and Exchange Board of India ("SEBI"), Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"), the aforesaid mentioned person has been mentioned under the Promoter/ Promoter Group Category:

However, the aforesaid Person are not relatives of any promoter or director of the Company. They have not been associated with the Company in any capacity. They do not have any control over the affairs of the Company or in any decision-making process of the Company. The aforesaid persons together are holding 1.14% of the total paid up equity capital of the Company. The aforesaid persons do not exercise any control over the Company and are not involved in the management of the Company.

The aforesaid persons seeking re-classification confirmed that :

- i) they are not holding more than ten percent of the total voting rights in the Company.
- ii) they do not exercise control over the affairs of the Company directly or indirectly.
- iii) they have no special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements.
- iv) they are not represented on the board of directors (including not having a nominee director) of the Company.
- v) They are not the relatives of any Directors and KMP of the Company.
- vi) they do not act as Key managerial person in the Company.
- vii) they are not 'wilful defaulter' as per the Reserve Bank of India Guidelines and
- viii) they are not fugitive economic offenders.

Based on the Letter received from the aforesaid persons, the Board of Directors at their meeting held on 21st August, 2020 considered and approved the reclassification of Mr. Babu Kunjanna Shetty, Mrs. Sandhya Vittal Bhandary and Mr. Vittala Kinhanna Bhandary from Promoter/Promoter Group Category to Public Category subject to approval of the Members of the Company at the Annual General Meeting of the Company.

The shareholding pattern of the Company before and after the proposed reclassification is furnished below:

Before Proposed Reclassification			After proposed Reclassification		
Category	No of Shares	Percentage of Share Capital	Category	No of Shares	Percentage of Share Capital
Promoter and Promoter Group	3,90,56,530	100%	Promoter and Promoter Group	3,86,06,530	98.86%
Public	0	0	Public	4,50,000	1.14%
Total	3,90,56,530	100%	Total	3,90,56,530	100%

The Board of Directors of your Company recommends this resolution as set out under item no 7 for your approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise in the resolution set out in item no 7 above.

Item No-8

The Companies Act, 2013 aims to ensure the transparency in the transaction and dealing with the related parties of the Company. The Provision of the Section 188 of the Companies Act, 2013 govern the Related Party Transaction for entering into transaction, contract or arrangement with the related party(ies) and as per the said section 188 of the Companies Act, 2013 the Company need to obtain the approval of the Shareholder by way of the Resolution.

The transaction entered/to be entered with the related Party(ies) as mentioned in the Resolution is in the interest of the Company and it will be at arm's length basis and in the ordinary course of the business. Further transaction with the Related Party (ies) has no material effect in the company as total value of the transaction with the Related Party(ies) during the financial year ended on 31st March, 2020 was not more than Rs. 20.00 cores whereas the revenue from operation of the company during the financial year ended on 31st March, 2020 was near about Rs. 1000.00 Crores.

The details of the transaction are given below:

Sl. No.	Nature of Transaction	Name of Related Party	Name of Director/KMP who is related	Maximum Amount in one Financial Year
1	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Shakti Bioscience Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty	Rs. 10 (Ten) Crores
2	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Sams Industries Limited	Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 10 (Ten) Crores
3	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Heranba Agrosience Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 5 (Five) Crores
4	Transaction/Arrangement/ Contracts of Purchase /Sale of Goods and/or & Service including Advance given/Received against the above	Heranba Crop Care Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 5 (Five) Crores
5	Availing the Professional Services	Shreya M Shetty	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty	Rs. 25 (Twenty Five) Lakhs
6	Availing the Professional Services	Roshan R Shetty	Mr. Raghuram K Shetty Mrs. Vanita R Shetty Mr. Raunak R Shetty	Rs. 25 (Twenty Five) Lakhs
7	Appointment and Remuneration payable to the relative of the Director	Mr. Shriraj S Shetty, Technical Manager	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty	Rs. 1.10 Lakhs per Month
8	Job Work Arrangement	Insunt Trading Private Limited	Mr. Sadashiv K Shetty Mrs. Sujata S Shetty Mr. Raghuram K Shetty	Rs. 10 (Ten) Crores

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 8 of this Notice as an Ordinary Resolution

For Heranba Industries Ltd.

Sadashiv K. Shetty
Chairman
DIN No.: 00038681
Place: Mumbai
Date: August 21, 2020

DIRECTORS REPORT

To the Members,

Your Directors have pleasure in submitting their 28th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

FINANCIAL RESULTS

The summarized standalone results of your Company are given in the table below:

Amt. in “Rupees”

Particulars	Financial Year Ended	
	31/03/2020	31/03/2019
Revenue from Business Operations	9,51,37,37,220	10,04,44,39,713
Other Income	16,53,23,321	7,39,41,973
Total Income	9,67,90,60,541	10,11,83,81,686
Total Expenses	8,39,06,33,221	8,89,71,82,383
Profit/(loss) before Tax	1,28,84,27,320	1,22,11,99,303
Less: Tax Expenses	31,09,27,472	46,71,79,974
Net Profit/(Loss) After Tax	97,74,99,848	75,40,19,329

COMPANY’S PERFORMANCE REVIEW

Income of the company from Business Operations is Rs. 951.37 Crores as compared to Rs. 1004.44 Crores in the previous year. Your directors are happy to mention that the companies Net Profits have jumped to Rs. 97.74 Crores from Rs. 75.40 Crores in the previous year.

COVID 19

The world is facing an unprecedented challenge in this century with Corona Virus (Covid 19). World Health Organization (WHO), Geneva has been guiding the world in handling Covid 19 and has finally declared on 11th Mar 2020 as a Pandemic through an outbreak in China during December 2019. Time will tell the cause for the origin and spread, but the world is on tender hook (or on its toes) to stop the spread through various measures including lock-down or work from home or isolation with the concept of social distancing. Health care professionals are struggling to manage increasing Covid 19 cases across the

globe. The human being is trying to adopt a new way of life and may soon see a significant change in the lifestyle of the people post-Covid 19.

The Agrochemical industry was categorized under essential commodities and allowed to operate during the lockdown. At Factory, steps were initiated to monitor and control the operations including the travel ban, thermal screening, sanitation and awareness campaigns have been conducted through video, mailers, posters, etc. The initial period (about a week) of lockdown operations were at a slow pace due to streamlining of processes by the Government authorities for movement of materials and personnel. Post this, operations are started improving on a week by week basis. Sales of goods are almost normal even in the initial period of lockdown. Heranba Team has exhibited very good teamwork to maintain and accelerate operations during these toughest days. There is no significant impact on the operations of Heranba and the Company is poised to generate growth in the operations.

The impact of the Lock down to the Company was minimal as the Company deals with Agro Products and the Government gave relaxation to the Agro Products. All factory of the Company is in operation though with less manpower. Laptops/ Computers has been made available to Employees at their Home with EPS connectivity so that they could do the Work from Home without any problem. Full Salary was being paid to the Employees without any cut.

DIVIDEND:

Your Board of Directors has declared and paid an Interim Dividend@ Rs.1.00 per equity shares amounting to Rs. 3,90,56,530/-[Rupees Three Crores Ninety Lakh Fifty Six Thousand Five Hundred Thirty Only] on 08th July, 2019 and further declared and paid 0.50 paise per equity share amount to Rs. 195,28,265/- on 4th June, 2020 for the Financial Year, 2019-20. The Board proposed no further dividend to be declared for the Financial Year 2019-20 and the Interim Dividend paid for the Financial Year, 2019-20 shall be treated as the final dividend. Your company is in the growth phase with steady profits and looks forward to more such dividends in near future.

TRANSFER TO RESERVES

The Company has carried Rs. 5,00,00,000 /- to the General Reserve of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company does not have any funds as contemplated under Section 125 of the Act lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts / arrangements / transactions entered into with Related Parties during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no Materially Related Party Transactions i.e. transactions exceeding 10% of the annual turnover as per the last audited financial statements.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website may be accessed on the Company's website.

All The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are attached herewith in **Annexure -I in Form No. AOC -2.**

Further Suitable Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements in the Annual Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

A New Wholly Owned Subsidiary Company was incorporated in china under the name of Chang Zhou Heranba Crop Science and Technology Co., Ltd. The Company shall subscribe to all the Share Capital of the aforesaid Subsidiary Company in China however till date the Company has not yet remitted the fund to subscribe to the Subscribed Capital of the aforesaid Subsidiary Company in China.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the Nature of Business during the year under review. Further no material changes or commitments have occurred between the end of the financial year and the date of this report which affect the financial statements of the Company.

DEPOSITS:

The Company has neither accepted / renewed any deposits from public during the year nor has any outstanding Deposits in terms of Section 73 of the Companies Act, 2013. Further there were no Deposits which are not in compliance of the requirements of Chapter V of the Act.

SHARE CAPITAL:

As on 31st March, 2020, the Authorized share capital of the company stood at Rs. 45,00,00,000 (Rupees Forty Five Crore only) divided into 4,50,00,000 (Four Crore Fifty Lac) equity shares of Rs-10/- (Rupees Ten) Each.

As on 31st March, 2020, the issued, subscribed and paid up Equity share capital of your Company stood at Rs. 39,05,65,300 (Thirty Nine Crore Five Lakh Sixty Five Thousand Three Hundred) divided into 3,90,56,530 (Three Crore Ninety Lakh Fifty Six Thousand Five Hundred Thirty)Equity shares of Rs.10/- each .

DEMATERIALIZATION

As on 31st March, 2020, the entire share capital of the Company has been dematerialized.

INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements commensurate with the size and nature of business of the Company. Further Directors have personally overviewed the adequacy of internal controls and also appointed M/s **KD Practice Consulting Pvt Ltd** .as the Internal Auditor to manage the internal controls of the company.

In addition to Internal Audit, the Company has implemented well established internal financial practices, tool for mitigating non-compliance risk and internal Code of Business Conduct in order to ensure adequate internal financial control commensurate with the size of the Company.

FINANCIAL LIQUIDITY

Cash and Cash Equivalent as at 31st March, 2020 was Rs.3.19 Crores (Previous Year Rs. 20.96 Crores) The Company's working capital management is based on a well organized process of continuous monitoring and control on Receivables, Inventories and other parameters.

INSURANCE:

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured

CREDIT RATING

CRISIL has affirmed Long Term Rating CRISIL A-/Stable (Upgraded from CRISIL BBB+/Positive) and Short Term Rating CRISIL A2+ (Upgraded from CRISIL A2) to its total Bank facilities of Rs. 152.50 Crores vide its Letter No-GDS7219/218480/BLR/081901043 dated August 29, 2019.

MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year under review, the Company had conducted the following meetings on various occasions:

Type of Meeting	Total No. of meetings held during the year
Board Meeting	10
Audit Committee	5
Stakeholders' Relationship Committee	3
Nomination & Remuneration Committee	2
Corporate Social Responsibility committee	2
IPO Committee	2
Extraordinary General Meeting	3
Annual General Meeting	1
Class Meeting	NIL

DIRECTORS

At the ensuing Annual General Meeting, **Mrs. Sujata Shetty and Mr. Raunak Shetty** would retire by rotation and being eligible for the re-appointment, offers themselves for re-appointment.

KEY MANAGERIAL PERSONNEL (KMP) OTHER THAN DIRECTORS

Pursuant to Section 2(51) of the Companies Act, 2013 read with Rules made thereunder, the following person has been designated as Key Managerial Personnel of the Company under the Companies Act, 2013 as on 31st March, 2020

- (a) Mr. Maheshwar Vasant Godbole- Chief Financial Officer with effect from 24th September, 2018.
- (b) Mr. Abdul Latif-Company Secretary with effect from 21st December, 2018.

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

In terms of the provisions of Section 178 (3) of the Act the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personal and other employees. In line with this requirement, the Board has decided to form Remuneration Committee.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and

(e) 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.

DECLARATION OF INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, the independent directors are, individually, person of integrity and possess relevant expertise and experience.

The Independent Directors under section 149(6) of the Companies Act, 2013 declared that:

1. They are not a promoter of the Company or its holding, subsidiary or associate company;
2. They are not directors in the company, its holding, subsidiary or associate company.
3. The independent Directors have/had no pecuniary relationship with company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Directors have or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
6. Independent director possesses such qualifications as may be required by the Board.
7. The Company & The Independent Directors shall abide by the provisions specified in schedule IV of the Companies Act, 2013.

ANNUAL EVALUATION:

Pursuant to provision of the Companies Act, 2013, the Board of the Directors has, on the recommendation of Nomination and Remuneration Committee approved and adopted the Evaluation Policy, Remuneration Policy and The criteria for determining qualifications, positive attributes and independence of a director. Based on the above policies and criteria, the Nomination and Remuneration Committee evaluated the performance of Individual directors. The Independent Directors at their separate meeting, also reviewed the performance of the non independent directors and Board as a whole and also review the performance of the Chairman and further assessed the quality of flow of the information between the Board and Management. In addition to the above evaluation, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its Audit, Stakeholders' Relationship, Nomination & Remuneration and CSR Committee. The performance of Individual Director vis-à-vis Board and Committees found satisfactory.

VIGIL MECHANISM:

The Company has established a vigil mechanism that will oversee through the committee, the genuine concerns expressed by the employees and other Directors. The Company provided adequate safeguards against victimization of employees and Directors who express their concerns.

AUDIT COMMITTEE:

The Company has an Audit Committee in pursuance of Sec 177 of the Companies Act, 2013. The constitution of the audit committee is as follows:-

Name of Directors	Status in Committee	Nature of Directorship
Mr. Kaushik Hasmukh Gandhi	Chairman	Director
Mr. Mulky Vishwanatha Shetty	Member	Director
Mr. Ganesh Narayan Vanmali	Member	Director

The term of reference and power of the Audit Committee is as per the provision of the Companies Act, 2013 read with SEBI(LODR) Regulation.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has the Stakeholders Relationship Committee of the Board in pursuance of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, (“**SEBI LODR Regulations**”) read with Section 178 of the Companies Act, 2013

The constitution of the Stakeholders Relationship Committee is as follows:-

Name of Directors	Status in Committee	Nature of Directorship
Mr. Anil Kumar M. Marlecha	Chairman	Director
Mr. Raghuram K. Shetty	Member	Director
Mr. Ganesh Narayan Vanmali	Member	Director

The term of reference and power of the Stakeholder Relationship Committee is as per the provision of the Companies Act, 2013 read with SEBI(LODR) Regulation.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee in pursuance of the provisions of Regulation 19 and Part D of Schedule II of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”) and Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014,.

The constitution of the Nomination and Remuneration Committee is as follows:-

Name of Directors	Status in Committee	Nature of Directorship
Mr. Kaushik Hasmukh Gandhi	Chairman	Director
Mr. Mulky Vishwanath Shetty	Member	Director
Mr. Anil Kumar M. Marlecha	Member	Director

The term of reference and power of the Nomination and Remuneration Committee is as per the provision of the Companies Act, 2013 read with SEBI(LODR) Regulation.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted the Corporate Social Responsibility (CSR) Committee in pursuance of the provisions of Section 135 and other applicable provisions of, including Schedule VII to, the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

The constitution of the CSR Committee is as follows:-

Name of Directors	Status in Committee	Nature of Directorship
Mr. Mulky Vishwanath Shetty	Chairman	Director
Mr. Kaushik Hasmukh Gandhi	Member	Director
Mr. Sadashiv K. Shetty	Member	Director

The term of reference and power of the CSR Committee is as per the provision of the Companies Act, 2013 read with SEBI(LODR) Regulation.

IPO

Your Board has identified the New Merchant Bankers for the issue of its Initial Public Offer (“IPO”) and Mandate Letter and NDA Agreement has already been signed with the Merchant Bankers and Law Firm for the proposed Initial Public Offer (“IPO”). Due Diligence is under process and in next couple of days, Your Board are confident that subject to the approval of the shareholder, the Company will be able to file the Draft Red Herring Prospectus (“DRHP”) with Securities Exchange Board of India (“SEBI”), National Stock Exchange (“NSE”) and Bombay Stock Exchange (“BSE”). Once the Company obtain in-principal approval from SEBI, NSE and BSE then the Company will float its IPO in due course of time.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

Heranba Industries Limited is exposed to risks such as liquidity risk, Interest rate risk, Credit risk and Operational risk that are inherent in the agrochemical Industry.

By strictly following the regulatory norms and RBI financial Guidelines, the company effectively manages the risks and has a focused Risk Management monitoring in place.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY:

During the Year under review the Board has made the expenditure under CSR of Rs. 1.29 Crores - whereas the total Amount required to be spent was Rs 1.55 Crores /-for the financial year 2019-20. The Company was contemplating to spend the Balance Amount in the month of March, 2020 however due to lockdown because of COVID 19 the said amount could not be spent in the end of March, 2020 . However the Company has already spent the aforesaid amount at the date of this Report . The detailed Report on CSR Activities as per ANNEXURE-IV

COMPUNDING OF OFFENCE

During the year under review , the Company had filed an application with Ministry of Corporate Affairs for compounding of non-compliance in respect of certain company law related matters in the past. The non compliance matter includes inter alia non-appointment of Company Secretary, In the bonus issue made on May 28, 2014, the date of EGM in the resolution attached with the Necessary form has been inadvertently mentioned as June 1, 2014, not having the optimum combination of independent and non-executive Directors in terms of Companies Act, 2013 and non formation of Committees in accordance with the provision of the Companies Act, 2013. However the Company has complied all the Non Compliance. Further the compounding matter is in process.

NUMBER OF COMPLAINTS RELATING TO CHILD LABOUR, FORCED LABOUR, INVOLUNTARY LABOUR, SEXUAL HARASSMENT IN THE LAST FINANCIAL YEAR AND PENDING, AS ON THE END OF THE FINANCIAL YEAR

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. No case of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment was reported during the FY 2019-20. The Company has a policy on sexual

harassment under which employees can register their complaints against sexual harassment. The policy ensures a free and fair enquiry with clear timelines

SECRETARIAL AUDIT REPORT:

In compliance of the provisions of Section 204 of the Companies Act, 2013, your Directors have appointed M/s. K. C. Suthar & Co., Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year under review. Report given by the company secretary in practice is annexed with the report [MR-3] as **ANNEXURE-II**.

STATUTORY AUDITORS:

M/sN S Shetty & Co., Chartered Accountants, have been appointed as Statutory Auditors for a period of five financial years in the Annual General Meeting held on 15/09/2017 until the conclusion of the AGM in the Year 2022.

COST AUDITORS:

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respects of audit of pesticide products manufactured by the company needs to be audited. In compliance to the above, the Board of Directors has appointed Mr. Jayant J. Paleja, Cost Accountants, as the Cost Auditors of the Company for the financial year ended 31st March 2019. In accordance with the above provision the remuneration payable to the cost auditors should be ratified by the members. Accordingly, the Board of Directors recommends the Members to pass the resolution, as stated in the Notice Convening the ensuing Annual General Meeting.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

Auditors qualification:

There were no qualifications, reservations or adverse remarks made by the Auditor in his report made for the financial year under review.

Secretarial Audit report by Practicing Company Secretary:

The Practicing Company Secretary has made their reports in **FORM MR – 3** which is attached to this report as **ANNEXURE – II**.

DETAILS OF FRAUD REPORTED BY AUDITORS:

There were no frauds which are reported to have been committed by employees or officers of the Company. The statutory auditors of the Company have vide their report of even date confirmed that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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 was no Material order passed by the judicial or quasi Judicial Authority which affects the going concern status of the Company during the year under review.

ANNUAL RETURN:

The extracts of Annual Return [MGT-9] pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure –III** and is attached to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**(A) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:****Power and fuel Consumption-**

The Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 require the disclosure of particulars regarding Conservation of Energy in Form-A and Technology Absorption in Form-B as prescribed by the Rules.

The details are as follows:

Particulars	31.03.2020	31.03.2019
(1) Electricity		
Purchased units	2,33,82,940	18,212,892
Total Amount (Rs.)	17,79,44,172	139,692,882

Rate per Unit (Rs.)	7.61	7.67
(2) Own Generator		
Fuel (Diesel)	77,91,386	7,365,690
Total Amount (Rs.)	23,86,50,142	229,441,266
Rate per Liter (Rs.)	30.63	31.15

TECHNOLOGY ABSORPTION:

The technology required for the Company is available indigenously.

FOREIGN EXCHANGE EARNINGS & OUTGO:

Amt. in "Rupees"

Particulars	31.03.2020	31.03.2019
Earnings	4,69,15,22,609	4,798,516,064
Outgo	1,31,87,35,005	1,096,007,163

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels, whose continued commitment and dedication contributed greatly to achieving the goals set by your Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For Heranba Industries Limited

Sadashiv.K .Shetty
Chairman
DIN: 00038681
Date: 21st August,2020
Place: Mumbai

Raghuram. K. Shetty
Managing Director
DIN: 00038703
Date: 21st August,2020
Place: Mumbai

Annexure - I**Form AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

Details of material contracts or arrangement or transactions with related parties at arm's length basis during the Financial Year ended 31st March, 2020:

RELATED PARTY(IES)-ENTITY(IES)					
(a)	Name(s) of the related party	Shakti Bioscience Limited	Heranba Agrosience Ltd.	Insunt Trading P Ltd.	CHANGZHOU Heranba Ccrop Science and Technology Co Ltd
(b)	Nature of Relationship	A Company in which Director is interested	A Company in which Director is interested	A Company in which Director is interested	Wholly Owned Subsidiary Company
(c)	Nature of contracts / arrangements / transactions	Purchase of goods/ job work/other expenses	Lease Rent	Advance Received / Adjusted & Advance Given / Adjusted	Advance Given / Adjusted
(d)	Duration of the contracts / arrangements/transactions	Yearly	Yearly	Yearly	Yearly
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any	5,47,52,923	4,86,000	4,25,00,000 & 1,04,08,152	1,59,633
(f)	Date(s) of approval by the Board	08.04.2019	08.04.2019	15.05.2019 & 11.12.2019	08.07.2019 & 18.03.2020
(g)	Date(s) of Approval by Shareholders(if any)	30.09.2019	30.09.2019	06.01.2020	NA
(h)	Amount paid as advances, if any:	NIL	NIL	NIL	NIL

RELATED PARTY(IES)-INDIVIDUALS			
(a)	Name(s) of the related party	Mrs. Shreya M. Shetty	Shriraj S Shetty
(b)	Nature of Relationship	Relative of Director	Relative of Director
(c)	Nature of contracts / arrangements / transactions	Professional Charges	Remuneration
(d)	Duration of the contracts / arrangements/transactions	Yearly	Yearly
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any	18,00,000	12,76,600
(f)	Date(s) of approval by the Board	08.04.2019	08.04.2019 & 02.01.2020
(g)	Date(s) of Approval by Shareholders(if any)	30.09.2019	31.01.2020
(h)	Amount paid as advances, if any:	NIL	NIL

For Heranba Industries Limited

Sadashiv.K .Shetty
Chairman
DIN: 00038681
Date: 21st August, 2020
Place: Mumbai

Raghuram. K. Shetty
Managing Director
DIN: 00038703
Date: 21st August, 2020
Place: Mumbai

Annexure III**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U24231GJ1992PLC017315
ii)	Registration Date	17/03/1992
iii)	Name of the Company	Heranba Industries Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	PLOT NO 1504/1505/1506/1 GIDC, PHASE-III, VAPI-VALSAD -396195 GJ
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PRIVATE LIMITED 1ST Floor , Bharat Tin Works Building,Opp. Vasant Oasis, Makwana Road,Marol, Andheri-East, Mumbai-400059

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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Pesticide/Insecticide Products	2421	97.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

A New Wholly Owned Subsidiary Company was incorporated in china under the name of Chang Zhou Heranba Crop Science and Technology Co., Ltd. The Company shall subscribe to all the Share Capital of the aforesaid Subsidiary Company in China however till date the Company has not yet remitted the fund to subscribe to the Subscribed Capital of the aforesaid Subsidiary Company in China.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of the Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No of Shares held								%
		Beginning of the year 01.04.2019				End of the year 31 March, 2020				Change during the year
		Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
(A) Promoters (including Promoter Group)										
(1)	Indian									
(a)	Individuals/Hindu Undivided Family	3,76,30,280	-	3,76,30,280	96.35	3,76,30,280	-	3,76,30,280	96.35	-
(b)	Bodies Corporate	-	14,26,250	14,26,250	3.65	14,26,250	-	14,26,250	3.65	-
(e)	Any Other (Trust)	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)		3,76,30,280	14,26,250	3,90,56,530	100%	3,90,56,530	-	3,90,56,530	100%	-
(2)	Foreign									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	--	-	-	-	--	-	-	-	-
(d)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)		3,76,30,280	14,26,250	3,90,56,530	100%	3,90,56,530	-	3,90,56,530	100%	-
(B) Public Shareholding										
(1)	Institutions	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(c)	Central /State Government	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FII/FPI	-	-	-	-	-	-	-	-	-
(g)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)		-	-	-	-	-	-	-	-	-
(2)	Non-Institutions	-	-	-	-	-	-	-	-	-
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
i	Indian	-	-	-	-	-	-	-	-	-
ii	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals –									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c)	Any Other	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)		-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)		-	-	-	-	-	-	-	-	-
(c)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)		3,76,30,280	14,26,250	3,90,56,530	100%	3,90,56,530	-	3,90,56,530	100%	-

i) Shareholding of Promoter (including Promoter Group)

SR No	Shareholder’s Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumb ered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
PROMOTERS								
1.	Sadashiv K Shetty	1,41,91,660	36.34%	30%	1,30,51,796	33.42%	30%	-2.92
2.	Raghuram K Shetty	1,29,82,120	33.24%	-	1,41,21,984	36.16%	-	+2.92
PROMOTERS’ GROUP								
1	Sujata S Shetty	32,30,400	8.27%	-	32,30,400	8.27%	-	-
2	Vanita R Shetty	20,18,000	5.17%	-	20,18,000	5.17%	-	-
3	Sams Industries Ltd	14,26,250	3.65%	-	14,26,250	3.65%	-	-
4	Raghuram K Shetty HUF	13,80,000	3.53%	-	13,80,000	3.53%	-	-
5	Shreya S Shetty	9,42,500	2.41%	-	9,42,500	2.41%	-	-
6	Shriraj S Shetty	8,42,500	2.16%	-	8,42,500	2.16%	-	-
7	Raunak R Shetty	6,36,250	1.63%	-	6,36,250	1.63%	-	-
8	Roshan R Shetty	6,36,250	1.63%	-	6,36,250	1.63%	-	-
9	Sadashiv K Shetty HUF	3,20,600	0.82%	-	3,20,600	0.82%	-	-
10	Babu K Shetty	1,50,000	0.38%	-	1,50,000	0.38%	-	-
11	Sandhya V Bhandary	1,50,000	0.38%	-	1,50,000	0.38%	-	-
12	Vittala K Bhandary	1,50,000	0.38%	-	1,50,000	0.38%	-	-
TOTAL		3,90,56,530	100%	30%	3,90,56,530	100%	30%	-

iii) Change in Promoter's (including Promoter Group) Shareholding

	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	Refer (ii) Shareholding of Promoters			
Changes during the year				
At the end of the year				

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

There are no Shareholders other than Directors and Promoters who hold more than 5% of shares in the company.

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

For each of Directors and KMP	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding at the end of the year 31.03.2020	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
DIRECTORS				
Mr. Sadashiv K Shetty	1,41,91,660	36.34%	1,30,51,796	33.42%
Mr. Raghuram K Shetty	1,29,82,120	33.24%	1,41,21,984	36.16%
Mrs. Sujata S Shetty	32,30,400	8.27%	32,30,400	8.27%
Mrs. Vanita R K Shetty	20,18,000	5.17%	20,18,000	5.17%
Mr. Raunak R Shetty	6,36,250	1.63%	6,36,250	1.63%
Mr. Kaushik H Gandhi	-	-	-	-
Mr. Mulky V Shetty	-	-	-	-
Mr. Anilkumar M Marlecha	-	-	-	-
Mr. Ganesh N Vanmali (-	-	-	-
Mr. Nimesh S Singh	-	-	-	-
KMP				
Mr. Maheshwar V Godbole	-	-	-	-
Mr. Abdul Latif	-	-	-	-

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
(i) Principal Amount	49,86,69,232	74,121	-	49,87,43,353
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)	49,86,69,232	74,121	-	49,87,43,353
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	6,79,53,400	-		6,79,53,400
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount	43,07,15,832	74,121	-	43,07,89,953
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	49,86,69,232	74,121	-	49,87,43,353

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**In Rs.**

Particulars of Remuneration	Mr. Sadashiv K Shetty	Mr. Raghuram K Shetty	Mrs. Sujata S Shetty	Mrs. Vanita R Shetty	Mr. Raunak R Shetty	Total
Gross Salary						
Salary as per provisions contained in Section 17(1) of the Income Tax, Act 1961	1,78,46,297	1,38,57,549	13,21,600	13,21,600	12,76,600	3,56,23,646
Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil
Profits in lieu of salary under Section 17(3) of the Income Tax, Act 1961	Nil	Nil	Nil	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
Commission (% of the Profit)	Nil	6,14,00,072	Nil	Nil	Nil	6,14,00,072
Others (retirement benefits)	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL (A)	1,78,46,297	7,52,57,621	13,21,600	13,21,600	12,76,600	9,70,23,718

B. Remuneration to other Non Executive Independent Directors						In Rs.
Particulars of Remuneration	Name of Directors					Total Amount
	Mr. Kaushik H Gandhi	Mr. Anilkumar Marelecha	Mr. Ganesh N Vanmali	Mr. Nimesh S Singh	Mr. Mulky V Shetty	
Fees for attending Board/Committee Meeting	1,05,000	40,000	50,000	60,000	80,000	3,25,000.00
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others Please Specify	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL (B)	1,05,000	40,000	50,000	60,000	85,000	3,25,000.00

Particulars of Remuneration	Key Managerial Personnel (KMP)		Total Amount
	Mr. Maheshwar V Godbole	Mr. Abdul Latif	
Salary as per provisions contained in Section 17(1) of the Income Tax, Act 1961	27,71,064	18,78,300	46,49,364
Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
Profits in lieu of salary under Section 17(3) of the Income Tax, Act 1961	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil
Commission (% of Profit)	Nil	Nil	Nil
Others (retirement benefits)	Nil	Nil	Nil
TOTAL (C)	27,71,064	18,78,300	46,49,364

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

** There were no Penalties/ Punishments/ Compounding of Offences initiated against the Company, Directors and Other Officers in Default.*

For Heranba Industries Limited

Sadashiv.K .Shetty
Chairman
DIN: 00038681
Date: August 21, 2020
Place: Mumbai

Raghuram. K. Shetty
Managing Director
DIN: 00038703
Date: August 21, 2020
Place: Mumbai

ANNEXURE -IV**ANNUAL REPORT ON CSR ACTIVITIES-**

SR NO.	PARTICULARS	DETAILS	
1.	Brief outline of the Company CSR policy and projects or programs.	The Board of directors has formed the CSR Committee to look after CSR activities and policies, The company has made the policy that the CSR activities shall be carried out in remote area where the factory of the company is situated and to spend more amount on upliftment of poor people and to carry out social activities.	
2.	Composition of the CSR Committee	1.Mr. Mulky Vishwanath Shetty - Chairman 2.Mr. Kaushik Hasmukh Gandhi 3.Mr. Sadashiv K. Shetty	
3.	Avg. Net Profit of the Company for last 3 F.Y.	Rs. 77,91,05,741/-	
4.	CSR Expenditure (2 % of the amount- column No.-3)	Rs. 1,55,82,115/-	
5.	CSR Spent	Amount required to be spent	Rs. 1,55,82,115/-
		Amount actually spent	Rs.1,29,93,339/-
		Balance	Rs. 25,88,776/-
6.	Reasons for not spending the amount	The Company was planning to spend the Balance Amount in the month of March, 2020 however due to lockdown because of COVID 19 the said amount could not be spent in the end of March, 2020 . However the Company has already spent the aforesaid amount as on the date of this Report.	

For Heranba Industries Limited

Sadashiv.K .Shetty
Chairman
DIN: 00038681
Date: August 21, 2020
Place: Mumbai

Raghuram. K. Shetty
Managing Director
DIN: 00038703
Date: August 21, 2020
Place: Mumbai

ANNEXURE- II**FORM NO. MR -3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st March 2020**HERANBA INDUSTRIES LIMITED****[CIN :U24231GJ1992PLC017315]**

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

The Members,
Heranba Industries Limited.
Vapi- Gujarat- 396195

I have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Heranba Industries Limited [CIN: U24231GJ1992PLC017315]** (hereinafter called as “the company”) having its registered office situated at Plot No 1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195 , Gujarat. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the company’s books, papers, minute book, forms and returns filed and other records maintained by company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by “the Company” for the financial year ended on 31st March, 2020 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI’) are not applicable to the Company as the company is not a listed Company.
- 1.** The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under.

- 2.** The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
 - 3.** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 4.** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - 5.** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - 6.** The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - 7.** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 8.** 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;
 - 9.** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - 10.** The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; not applicable to the Company as the company has no Foreign Direct Investment and External Commercial Borrowings during the year under review;

- iv. I have also examined compliance with the applicable clauses of the following
 - a. Secretarial Standard issued by The Institute of Company Secretaries of India.
- v. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent of its applicability.
- vi.

2. I further report that:

- a. During the year under review, The Board of Directors of the Company was reshuffled as follows :
 - i. Mrs. Sujata S. Shetty was redesignated as whole time director of the Company.
 - ii. Mrs. Vanita R. Shetty was redesignated as whole time director of the Company.
 - iii. Mr. Raunak R. Shetty was redesignated as whole time director of the Company.
 - iv. Hence as of now, the Board of Directors is duly constituted with proper balance of Managing Director, Whole time Director, Executive Directors and non-executive Independent Directors- **"As per Annexure- A"**.
- b. Pursuant to Section 2(51) of the Companies Act, 2013 read with Rules made thereunder, the following persons are Key Managerial Personnel of the Company under the Companies Act, 2013 as on 31st March, 2020.
 - i. Mr. Maheshwar Vasant Godbole- Chief Financial Officer.
 - ii. Mr. Abdul Latif-Company Secretary
- c. The company has duly formed applicable committees during the year i.e. Audit Committee, vigil mechanism committee and Nomination and Remuneration Committee and Corporate Social Responsibility Committee And Stakeholders' Relationship Committee as required under the Act and complied with the Act, rules and regulations made there under.
- d. Adequate notice is given to all the 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

- e. 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.
- f. The company has taken necessary steps to spend the amount allocated under CSR during the financial year.
- g. The Share Capital of the Company has been fully dematerialized and no physical shares are pending for demat.
- h. The Company has complied with all the other applicable laws as applicable with the extent of the size of business of the Company.

FOR K.C. SUTHAR & CO.
Company Secretaries

CS K. C. SUTHAR
Proprietor
C.P.No-4075
Place :Mumbai
Date: 21st August, 2020

“ANNEXURE- A”**:DETAILS OF THE BOARD OF DIRECTORS & KEY MANAGERIAL PERSONS OF THE COMPANY:**

Sr. No.	Name of Director	DIN/ PAN	Designation
1	Mr. Sadashiv Kanyana Shetty	00038681	Chairman & Director
2	Mr. Raghuram Kanyan Shetty	00038703	Managing Director
3	Mrs. Sujata Sadashiv Shetty	00632563	Wholetime Director
4	Mrs. Vanita Raghuram Shetty	02493401	Wholetime Director
5	Mr. Raunak Raghuram Shetty	08006529	Wholetime Director
6	Mr. Kaushik Hasmukhlal Gandhi	01265059	Director
7	Mr. Ganesh Narayan Vanmali	07833853	Director
8	Mr. Nimesh Sahadeo Singh	00062998	Director
9	Mr. Mulky Vishwanatha Shetty	08168960	Director
10	Mr. Anilkumar Mohanraj Marlecha	08193193	Director
11	Mr. Maheshwar Vasant Godbole	ACHPG2298R	CFO(KMP)
12	Mr. Abdul Latif	ABYPL6631P	Company Secretary



N. S. SHETTY & CO.
CHARTERED ACCOUNTANTS

Phone : 2623 1716, 2623 7669 Fax : 2624 5364
E-mail : nsshetty_co@yahoo.com

"Arjun", Plot No. 6A, V.P. Road,
Andheri (W), Mumbai - 400 058.

INDEPENDENT AUDITOR'S REPORT

To the Members of HERANBA INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **HERANBA INDUSTRIES LIMITED ("the Company")** which comprises the Balance Sheet as at March 31, 2020, 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS), of the state of affairs(financial position) of the Company as at March 31, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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



We have determined the matter described below to be the key audit matter to be communicated in our report,

Key audit matter	How our audit address the key audit matter
During the year, the company has provided security for a loan arrangement amounting to Rs. 35 crores to related party as a co-borrower.	Checked board resolution, special resolution, MFT 14 filed with ROC, copy of mortgage deed, investment certificate indicating lien on the units and sanction letter from the lender.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's 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 during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit and loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial



statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

Other Matters

On the account of COVID-19 related lockdown restrictions, the management was able to perform year end physical verification of the inventories subsequent to the year-end. Also, we were not able to observe the stock verification carried out by the management. Consequently, we have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA 501 and have obtained sufficient and appropriate audit evidence to issue an unmodified opinion on the financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- I. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V of the Act.
- II. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact, if any, of pending litigations as on 31st March, 2020 on its financial position in its financial statements.
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR N S SHETTY & CO.

Firm Registration No.: 110101W

Chartered Accountants



DIVAKAR SHETTY

Partner

Membership No.: 100306

UDIN : 20100306AAAAAJ1561

Place : Mumbai

Date: 21st August, 2020

ANNEXURE "A" REFERRED TO IN INDEPENDENT AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF HERANBA INDUSTRIES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;
 - c) According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company
- (ii) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals. In our opinion the frequency of such verifications reasonable. The discrepancies noticed on such verification between the physical stock and book records were not material and have been properly dealt in the books of account.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan to one company covered in the register maintained under section 189 of the Act.
 - a) In respect of the aforesaid loan, the terms and conditions under which such loans were granted are not prejudicial to the interest of the company.
 - b) In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amount, as stipulated, and is also regular in payment of interest as applicable.
 - c) In respect of the aforesaid loan, there is no amount which is overdue for more than 90 days.
- (iv) Based on information and explanation given to us in respect of the loans, investments, guarantees and securities, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013. Further, refer Note 14D with regards to Guarantee given / securities provided by the company in its capacity as a co-borrower along with the companies in which directors are interested, to a lender for a borrowing arrangement made during the year
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed cost



records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, excise duty, service tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except certain delays in depositing advance income tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, wealth tax, service tax, excise duty, goods and service tax and cess which have not been deposited with the appropriate authorities as on 31st March 2020 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in lacs)
Central Excise Act	Excise Duty and Penalty	Appellate Authority	2010-2011 to 2012-2013	123.26
			2010-2011 to 2013-2014	157.88
			2010-2011 to 2014-2015	1342.62

Net of amounts paid under protest.

- (viii) On the basis of records examined by us and the information and explanation given to us, the Company has not defaulted in repayment of borrowing from bank as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and the information and explanations given by the management, we report that 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 given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration during the year in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule III to the Act.




- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliances with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards;
- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

FOR N S SHETTY & CO.

Firm Registration No.: 110101W

Chartered Accountants



DIVAKAR SHETTY

Partner

Membership No.: 100306

UDIN : 20100306 AAAAAJ 1561

Place : Mumbai

Date: 21st August, 2020



"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF HERANBA INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of **HERANBA INDUSTRIES LIMITED** ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 the 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, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

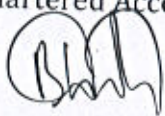
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

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

FOR N S SHETTY & CO.

Firm Registration No.: 110101W
Chartered Accountants



DIVAKAR SHETTY

Partner

Membership No.: 100306

UDIN: 20100306AAAAA51561

Place: Mumbai

Date: 21st August, 2020.



HERANBA INDUSTRIES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020
Particulars

	Note No.	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	95,44,20,436	51,13,91,982
(b) Capital work-in-progress	4	37,77,15,556	15,96,99,282
(c) Financial assets			
(i) Investments	5	3,73,09,240	2,42,312
(ii) Other financial assets	6	8,42,70,960	7,09,98,815
(d) Current tax assets (Net)	7	-	14,84,706
(e) Other non-current assets	8	8,06,59,042	34,45,75,129
Total Non-Current Assets		1,53,43,75,234	1,08,83,92,226
Current Assets			
(a) Inventories	9	1,45,51,75,953	1,13,89,41,387
(b) Financial assets			
(i) Trade receivables	10	2,58,46,66,684	2,53,27,21,227
(ii) Cash and cash equivalents	11	3,19,43,790	20,96,47,522
(iii) Loans	11	89,52,728	-
(iv) Other financial assets	6	1,71,70,610	1,53,99,632
(c) Other current assets	8	61,53,45,837	61,93,29,635
Total Current Assets		4,71,32,55,602	4,51,60,39,403
TOTAL ASSETS		6,24,76,30,836	5,60,44,31,629
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	39,05,65,300	39,05,65,300
(b) Other equity	13	2,81,79,31,919	1,89,11,99,634
Total Equity		3,20,84,97,219	2,28,17,64,934
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	6,14,46,293	5,72,74,793
(b) Provisions	16	64,90,462	42,15,765
(c) Deferred Tax Liabilities	17	1,60,93,914	4,12,66,441
(d) Other current liabilities	19	22,79,381	-
Total Non-Current Liabilities		8,63,10,050	10,27,56,999
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	43,07,89,953	49,87,43,353
(ii) Trade payables	18	2,12,46,83,287	2,35,20,67,930
(iii) Other Financial Liabilities	15	13,93,06,335	12,18,87,800
(b) Current tax Liabilities (Net)	7	3,74,57,717	10,16,82,712
(c) Other current liabilities	19	16,31,90,610	9,64,55,926
(d) Provisions	16	5,73,95,665	4,90,71,975
Total Current Liabilities		2,95,28,23,567	3,21,99,09,696
Total Liabilities		3,03,91,33,617	3,32,26,66,695
TOTAL EQUITY AND LIABILITIES		6,24,76,30,836	5,60,44,31,629

The accompanying notes are an integral part of the financial statements

As per our report of even date

For N S Shetty & Co.

Chartered Accountants

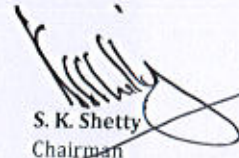
Firm Registration No. 110101W


 Divakar Shetty
 Partner

Membership No. 100306
 Mumbai

Date: 21st August, 2020




 S. K. Shetty
 Chairman
 DIN: 00038681


 Maheshwar Godbole
 Chief Financial Officer

For Heranba Industries Limited


 R. K. Shetty
 Managing Director
 DIN: 00038703


 Abdul Latif
 Company Secretary



HERANBA INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	Note No.	Year ended 31st March, 2020 Rs.	Year ended 31st March, 2019 Rs.
I INCOME			
Revenue from Operations	20	9,51,37,37,220	10,04,44,39,713
Other Income	21	16,53,23,321	7,39,41,973
TOTAL INCOME		9,67,90,60,541	10,11,83,81,686
II EXPENSES			
Cost of materials consumed	22	6,39,78,00,514	7,08,35,52,684
Purchase of stock in trade		15,30,78,470	6,47,12,695
Changes in Inventories of Finished Goods and Work-in-Progress	23	(17,65,43,567)	(17,06,87,813)
Employee Benefits Expense	24	46,46,46,362	38,00,54,897
Finance Costs	25	8,83,64,629	10,73,28,049
Depreciation and Amortisation Expenses	26	8,20,31,982	5,95,35,723
Other Expenses	27	1,38,12,54,831	1,37,26,86,148
TOTAL EXPENSES		8,39,06,33,221	8,89,71,82,383
Profit before Tax		1,28,84,27,320	1,22,11,99,303
Tax Expense			
(a) Current Tax	7	33,61,00,000	45,75,00,000
(b) Deferred tax charge / (credit)	17	(2,51,72,528)	52,90,070
(c) (Excess) / Short provision for taxation in respect of earlier years		-	43,89,904
		31,09,27,472	46,71,79,974
Profit for the Year		97,74,99,848	75,40,19,329
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability / asset		(57,62,804)	16,48,768
Fair Value of Investment		20,81,794	-
Total other Comprehensive Income		(36,81,010)	16,48,768
Total Comprehensive Income for the year		97,38,18,838	75,56,68,097
Earning per equity share of nominal value of 10/- each (in Rupees)	28		
Basic and Diluted		25.03	19.31

The accompanying notes are an integral part of the financial statements

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W

Divakar Shetty
Partner
Membership No. 100306

Mumbai
Date: 21st August, 2020



[Signature]
S. K. Shetty
Chairman
DIN: 00038681

[Signature]
Manishwar V Godbole
Chief Financial Officer

For Heranba Industries Limited

[Signature]
R. K. Shetty
Managing Director
DIN: 00038703

[Signature]
Abdul Latif
Company Secretary



Cash Flow Statement for the year ended 31st March, 2020

Particulars	Year ended 31st March, 2020 Rs.	Year ended 31st March, 2019 Rs.
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before taxation as per Statement of Profit and Loss	1,28,84,27,320	1,22,11,99,303
Adjustments for:		
Finance costs	8,83,64,629	10,73,28,049
Depreciation and amortisation	8,20,31,982	5,95,35,723
Dividend Income	(20,068)	(19,989)
(Profit) / Loss on sale of fixed assets (Net)	(2,68,143)	10,572
Interest income	(55,25,289)	(96,03,786)
Remeasurement of the net defined benefit liability / asset	(57,62,804)	16,48,768
Fair Valuation of Investment	17,366	4,962
Provision for doubtful debts, advances and investment	63,95,520	56,19,403
Operating profit before working capital changes	16,52,33,193	16,45,23,702
Add / (Less) :	1,45,36,60,513	1,38,57,23,005
(Increase) / Decrease in inventories	(31,62,34,566)	(19,89,63,277)
(Increase) / Decrease in trade and other receivables	(6,63,10,075)	(40,95,27,453)
Increase / (Decrease) in trade and other payables	(13,01,69,453)	59,09,59,590
Cash generated from operations	94,09,46,419	1,36,81,91,866
Less: Direct taxes paid	(39,88,40,286)	(49,11,68,080)
Net cash flow from operating activities	54,21,06,133	87,70,23,785
II. Cash flows arising from investing activities		
Inflow / (Outflow) on account of:		
Dividend from investments	20,068	19,989
(Increase) / Decrease in Loans	(89,52,728)	-
Interest income received	51,11,151	95,44,006
(Increase) / Decrease in Capital Advance	(8,06,59,042)	(12,11,22,661)
(Increase) / Decrease in deposits with maturity of more than three months	(26,76,091)	(56,13,201)
Sale/(Purchase) of fixed assets, including capital work -in- progress (net)	(39,82,33,438)	(25,66,01,449)
(Purchase)/Maturity of Long term / Current investments (net)	(3,50,02,500)	(18,000)
Net cash flow from investing activities	(52,03,92,580)	(37,37,91,315)
III. Cash flows arising from financing activities		
Inflow / (Outflow) on account of:		
Increase / (Decrease) in long term and short term borrowings	(6,79,53,400)	(26,11,89,445)
Repayment of Lease obligation	(5,86,404)	-
Dividend and Tax on Dividend Paid	(4,70,86,553)	(4,70,84,553)
Finance Cost Paid	(8,37,90,928)	(10,30,76,007)
Net cash flow from financing activities	(19,94,17,285)	(41,13,50,006)
Net increase in cash and cash equivalents (I + II + III)	(17,77,03,732)	9,18,82,464
Add: Balance at the beginning of the year	20,96,47,522	11,77,65,058
Cash and cash equivalents at the end of the year	3,19,43,790	20,96,47,522
Components of cash and cash equivalents		
Cash and cash equivalents:		
Cash on hand	8,31,976	13,89,823
Balances with banks		
- On Current accounts	3,11,11,814	20,82,57,699
	3,19,43,790	20,96,47,522

The accompanying notes are an integral part of the financial statements

Note:

The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS - 7 'Statement of Cash Flows')

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W

Divakar Shetty
Partner
Membership No. 100306

Mumbai
Date: 21st August, 2020



For Heranba Industries Limited

S. K. Shetty
Chairman
DIN: 00038681

Mahesterwar Godbole
Chief Financial Officer

R. K. Shetty
Managing Director
DIN: 00038703

Abdul Latif
Company Secretary



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 1. Company Overview

- 1.1 HERANBA INDUSTRIES LIMITED is a public limited company domiciled in India, incorporated in 1992 under the Companies Act, 1956. The Company is principally engaged in the business of manufacturing and sale of agro chemical products. The registered office of the company is located at Vapi, Gujarat
- 1.2 The financial statements are approved for issue by the Company's Board of Directors on 21st August 2020

Note 2. Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on accrual basis and under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

I. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances 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.

Estimates and assumptions

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The areas involving critical estimates or judgements are

- Estimation of defined benefit obligation
- Impairment of financial asset such as trade receivables
- Impairment of Non- financial Assets
- Estimation of Tax Expense and Liability



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 3:

Summary of Significant Accounting Policies

II. Revenue Recognition

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The specific recognition criteria described below must also be met before revenue is recognised

A. Sale of goods

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

B. Interest and dividend:

Interest income including income arising on other instruments are recognised on time proportion basis using the effective interest rate method.

Dividend income is recognized when the right to receive dividend is established.

III Export Benefits

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

IV Property Plant And Equipment, Investment Property And Depreciation / Ammortisation

A. Items of Property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

B. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Plant & Machinery	20
Servers and networks	6
Computer desktops and laptops	3
Laboratory Equipments	10
Office Equipments	5
Plumbing and Piping	20
Electrical Installation	10
Factory Building	30
Non Factory Buildings	60
Vehicles	8
Furniture and Fixture	10

Over Primary Lease period

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

V. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

i. Recognition and Initial measurement

Trade Receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

ii. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit & loss. The losses arising from impairment are recognized in the statement of profit and loss.

b) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets are measured at fair value through Other Comprehensive Income (OCI) if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are subsequently measured at Fair Value. Interest Income under Effective Interest method, foreign exchange gains and losses and impairment losses are recognized in the statement of profit and Loss. Other net gains and losses are recognized in OCI

c) Financial asset not measured at amortised cost or at fair value through OCI is carried at Fair Value through Profit and Loss

d) Equity Investments

All Equity investments within the scope of Ind AS 109 are measured at Fair Value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the company decides to classify the same either as FVOCI or FVTPL. The company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

For Equity instruments classified as FVOCI , all fair value changes in the instrument excluding dividends are recognized in OCI. Dividends on such equity instruments are recognized in the statement of Profit or loss.

iii. De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the statement of Profit and Loss. Gains and losses in respect of debt instrument measured at FVOCI and that are accumulated in OCI are reclassified to Profit and Loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to Profit or Loss on derecognition.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**B. Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i) Recognition and Initial Measurement

Financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument. Financial Liability is initially measured at fair value plus, for an item not at fair value through profit and loss, net of transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial Liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

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

C. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

VI. Impairment**a. Financial assets**

In accordance with Ind AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial asset measured at amortized cost.

Loss allowances on trade receivables are measured following the 'Simplified Approach' at an amount equal to the Life time ECL at each reporting date. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In respect of other financial asset, the loss allowance is measured at 12 month ECL only, if there is no significant deterioration in the credit risk since initial recognition of an asset or asset is determined to have a low credit risk at the reporting date.

b. Impairment of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

II. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

VII. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

VIII. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

- Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on First in First Out (FIFO) basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.
- Finished products and Work in Progress are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods and work in progress includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.
- Traded goods are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IX. Employee benefits

a) Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognised as employee benefit expense when they are due.

b) Defined Benefit Plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rs. is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- X. Borrowings and Borrowing costs**
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of
- XI. Earnings per Share**
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
The number of equity shares are adjusted retrospectively for all periods presented for any bonus shares issues.
- XII. Cash Flow Statement**
Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.
- XIII. Cash and Cash Equivalents**
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.
- XIV. Foreign currency transactions**
- All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.
 - Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date, are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.
 - Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.
 - Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.
- XV. Segment reporting**
Based on "Management Approach" as defined in Ind AS 108 - Operating Segments the chief operating decision maker regularly monitors and reviews the operating results of the whole company as one segment of "Agro -Chemicals". Thus, as defined in Ind AS 108, the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss. The analysis of geographical segments is based on the areas in which customers of the company are located.
- XVI. Provisions, contingent liabilities and contingent assets**
A provision is recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are also present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
Contingent Liabilities are not recognized in the financial statements but are disclosed separately.
Contingent assets are not recognised unless it becomes virtually certain that an inflow of economic benefits will arise.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**XVII. Leases**

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is -

- 1) increased by interest on lease liability;
- 2) reduced by lease payments made; and
- 3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.



as per our report of even date

Fdt Heramba Industries Limited

S. K. Shetty
Chairman
DIN: 00039681

Manjiv T. Godbole
Chief Financial Officer

[Signature]

Abdul Latif
Company Secretary



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 4. Property, plant and equipment and capital work-in-progress

	Leasehold land	Plant and Machinery	Buildings	Electrical Installation	Piping	laboratory equipments	Office Equipment	Computers	Vehicles	Furniture & Fixtures	Right to use Asset	Total	Capital work-in progress
Gross Carrying Value (At Deemed Cost)													
Balance at 1st April, 2018	7,42,09,998	73,07,13,370	7,55,35,926	2,75,79,780	5,65,74,648	68,88,776	61,42,378	84,46,831	2,99,84,023	75,16,587	-	1,02,36,50,317	1,16,14,992
Additions	-	9,53,78,921	-	83,60,796	-	3,12,041	-	37,150	46,53,251	-	-	10,87,42,159	14,80,94,290
Disposals	7,42,09,998	82,61,50,291	7,55,35,926	3,59,40,576	5,65,74,648	72,00,817	61,42,378	84,83,981	8,18,103	-	-	8,18,103	-
Balance at 31st March, 2019	90,80,879	37,28,19,862	5,65,64,215	2,61,92,733	4,59,98,753	64,62,872	56,42,654	79,51,144	2,34,35,270	70,80,817	-	56,12,29,199	-
Accumulated depreciation and impairment													
Balance at 1st April, 2018	9,72,842	5,23,57,259	13,59,068	7,49,364	11,48,634	1,20,710	1,08,518	87,610	5,82,531	-	-	5,82,531	-
Eliminated on disposal of assets	1,00,53,721	42,51,77,121	5,79,23,283	2,69,42,097	4,71,47,387	65,83,582	57,51,172	80,38,754	26,14,678	17,040	-	5,95,35,723	-
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2019	6,41,56,277	40,09,73,170	1,76,12,643	89,98,479	94,27,261	6,17,235	3,91,206	4,45,227	83,51,754	4,18,730	-	51,13,91,982	15,96,99,282
Net carrying value as on 31st March, 2019													
Gross Carrying Value (At Deemed Cost)													
Balance at 1st April, 2019	7,42,10,000	82,61,50,291	7,55,35,926	3,59,40,576	5,65,74,648	72,00,817	61,42,378	84,83,981	2,38,19,171	75,16,587	-	1,13,15,74,375	15,96,99,282
Additions	31,83,98,275	18,00,86,785	60,49,306	77,70,454	-	37,47,319	53,020	2,21,747	38,52,408	-	-	52,51,12,291	21,80,16,274
Disposals	39,26,08,275	1,00,62,37,076	8,15,85,232	4,32,11,030	5,65,74,648	1,09,48,136	61,95,398	87,05,728	7,84,505	-	49,32,977	7,84,505	-
Balance at 31st March, 2020	1,00,53,721	42,51,77,121	5,79,23,283	2,69,42,097	4,71,47,387	65,83,582	57,51,172	80,38,754	2,54,67,417	70,97,857	-	62,01,82,391	-
Accumulated depreciation and impairment													
Balance at 1st April, 2019	40,59,053	6,72,18,539	16,86,046	33,91,661	10,22,413	7,71,997	70,535	75,593	7,32,648	-	-	7,32,648	-
Eliminated on disposal of assets	1,41,12,774	49,23,95,660	5,96,09,329	3,03,33,758	4,81,69,800	73,55,579	58,21,707	81,14,347	2,71,71,547	12,504	12,86,863	8,20,31,982	-
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2020	37,84,95,501	51,38,41,416	2,19,75,903	1,33,77,272	84,04,848	35,92,557	3,73,691	5,91,381	97,15,527	4,06,226	36,46,113	95,44,20,436	37,77,15,556
Net carrying value as on 31st March, 2020													

Foot Notes:

1. Capital work in progress
Capital work in progress comprises expenditure for the plant and factory building in the course of construction.

2. Contractual Obligation

Refer note 32 (B) on disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.

3. Property, Plant & Equipment taken on finance lease

The Property, Plant & Equipment includes leasehold land where the company is a lessee under finance lease. The lease term in respect of leasehold land is long term lease with ability to opt for renewal of the lease term.

4. The company has created first charge on leasehold land situated at Sarigam. (Further refer note 14D)



Note 5. Investments

Non Current

Investments in equity instruments (un-quoted) At Deemed Cost

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
2,000 (As at March 31, 2019, 2000) Equity Shares of The Shamrao Vithal Co-op. Bank Ltd.	50,025	50,025
1,000 (As at March 31, 2019, 1,000) Equity shares of Matrubhumi Co-op. Credit Society Limited	1,00,000	1,00,000
NIL (As at March 31, 2019, 100) Equity Shares of The Kalupur Commercial Co-op Bank Ltd.	-	2,500

Investments in equity instruments (At fair value through profit / loss) (quoted):

41 (As at March 31, 2019, 41) Equity Shares of United Phosphorus Ltd.	13,382	26,208
200 (As at March 31, 2019, 200) Equity Shares of Aditya Birla Money Ltd.	3,800	8,430
500 (As at March 31, 2019, 500) Equity Shares of Gujarat State Financial Corporation Ltd.	690	600
76685.87 Units of Aditya Birla Sunlife Mutual Fund (As at March, 31 2019 NIL) (Refer footnote 14D)	3,70,86,794	-

Other Investment (un-quoted)

National Savings Certificates [Lodged with Government Departments as security]

A)	1,50,025	1,52,525
B)	3,71,04,666	35,238
C)	54,549	54,549
	3,73,09,240	2,42,312
	3,71,04,666	35,238
	2,04,574	2,07,074

Total Non Current Investments (A+B+C)

Aggregate amount of quoted investments

Aggregate amount of un-quoted investments



HERANBA INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Note 6. Other financial assets		
Non-current		
Bank balances (Refer Footnote)		
- Deposits with maturity of more than twelve months	4,69,81,330	4,43,05,239
Security deposits	3,71,51,632	2,64,23,335
Advance Rental Credit	1,37,998	2,70,241
Total	8,42,70,960	7,09,98,815

Footnote:

Balances with bank in fixed deposits are kept as security for guarantees / other facilities.

Current

Security deposits	1,54,71,275	1,41,14,435
Interest Accrued and Due	16,25,262	12,11,124
Advance Rental Credit	74,073	74,073
Total	1,71,70,610	1,53,99,632

Note 7. Current Tax Assets (Net)

Current tax assets	-	14,84,706
Current tax liabilities	(3,74,57,717)	(10,16,82,712)
Total	(3,74,57,717)	(10,01,98,006)

Income Tax expenses

	31st March, 2020 Rs.	31st March, 2019 Rs.
(a) Current Tax		
Tax for the year	33,61,00,000	45,75,00,000
Tax in respect of earlier years	-	43,89,904
Total Current Tax Expenses	33,61,00,000	46,18,89,904
Deferred Tax Expenses	(2,51,72,528)	52,90,070
Income Tax expense	31,09,27,472	46,71,79,974

(b) Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate

	31st March, 2020	31st March, 2019
Profit for the Year (Refer Note 39)	1,28,84,27,320	1,22,11,99,303
Applicable Rate of Tax		
Income tax expense calculated at 25.168% (P.Y. @34.944%)	32,42,71,388	42,58,56,879
Tax effects of amounts that are not deductible (taxable) in calculating taxable income:		
Effect of expenses that are not deductible in determining taxable profit	3,83,54,354	4,42,17,184
Effect of expenses that are deductible in determining taxable profit due to timing difference	(2,75,13,293)	(4,05,43,375)
Effect on deferred tax due to timing difference (Refer Note 17)	(2,51,72,528)	52,90,070
Adjustments for current tax of prior periods	-	43,89,904
Others	9,87,551	2,79,69,312
Income tax expense	31,09,27,472	46,71,79,974



HERANBA INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Note 8. Other assets		
Non-current		
Capital Advances (Unsecured, considered good)	8,06,59,042	34,45,75,129
Total	8,06,59,042	34,45,75,129
Current		
Advance to Suppliers (Includes advance to related party for Rs.7,08,70,935 (P.Y. Rs.7,96,79,153))	7,58,70,935	8,51,42,197
Balance with Revenue Authorities	52,11,58,129	52,57,98,789
Other Advances		
Prepaid Expense	58,62,075	11,68,880
Others	1,24,54,698	72,19,769
Total	61,53,45,837	61,93,29,635

Note 9. Inventories
As valued and certified by management

Inventories (lower of cost or net realisable value)

Raw materials (Includes Stock in transit Rs. 5,74,86,450 as at 31st March 2020 (Rs.4,79,04,494 As at 31st March 19))

Work In Progress

Finished Goods (Includes Stock in transit Rs.

4,93,12,817/- As at 31st March 20 (Rs. 10,68,70,680 As at 31st March 19)

Packing materials

Stores And Spares

Total

	47,48,82,213	37,37,78,617
	6,91,44,394	5,16,92,257
	83,25,96,527	67,35,05,097
	6,90,70,283	3,11,61,079
	94,82,536	88,04,337
Total	1,45,51,75,953	1,13,89,41,387

Note 10. Trade Receivables

Unsecured but considered good

Trade Receivables which have significant increase in Credit Risk

Trade Receivables - credit impaired

Less: Impairment loss allowance

Less: Bills discounted

Total

	2,69,42,29,544	2,67,37,69,401
	7,02,52,326	6,38,56,806
	7,02,52,326	6,38,56,806
	10,95,62,860	14,10,48,174
Total	2,58,46,66,684	2,53,27,21,227

i) No trade receivable due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies in which any director is a partner, or a director or a member.

ii) Trade receivable are non- interest bearing and generally on terms of 30 to 90 days

Note 11.
Cash and cash equivalents

Balances with banks:

- in current accounts

Cash on hand

Total

	3,11,11,814	20,82,57,699
	8,31,976	13,89,823
Total	3,19,43,790	20,96,47,522

Loans

Loan to Related Party (Refer Footnote)

Total

	89,52,728	-
Total	89,52,728	-

Footnote:

The Company has granted the Interest bearing Loan of Rs. 89,52,727/- (since repaid) to Insunt Trading Private Limited, A Company in which a Director of Heranba is interested as a Director and Shareholder. Therefore in terms of Section 185 of the Companies Act, 2013, the Company has obtained the approval of the Shareholders by way of Special Resolution and complied all other condition of the Section 185 of the Companies Act, 2013.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 12. Share capital

Authorised Share Capital:

4,50,00,000 (As at 31st March, 2019: 4,50,00,000) Equity Shares of ` 10/- each

As at
31 March, 2020
Rs.As at
31 March, 2019
Rs.

45,00,00,000

45,00,00,000

Issued and subscribed capital:

3,90,56,530 (As at 31st March, 2019: 3,90,56,530) Equity Shares of ` 10/- each fully paid up

39,05,65,300

39,05,65,300

39,05,65,300

39,05,65,300

a) Reconciliation of number of equity share outstanding at the beginning and at the end of the year

Fully paid equity shares

Balance at 1st April, 2018

Increase/ (Decrease) during the year

Balance at 31st March, 2019

Increase/ (Decrease) during the year/Bonus shares

Balance at 31st March, 2020

Number of shares

Share Capital

78,11,306

7,81,13,060

3,12,45,224

31,24,52,240

3,90,56,530

39,05,65,300

3,90,56,530

39,05,65,300

b) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the previous year ended March 31, 2019, the bonus issue in the proportion of 4:1 i.e.4 (Four) bonus equity share of `10 each for every 1 (One) fully paid-up equity shares held was approved by the shareholders of the Company on 09th July, 2018 through voting at the Meeting by show of hands. Subsequently, on 09th July, 2018, the Company allotted 3,12,45,224 (Three Crore Twelve Lakh Forty Five Thousand Two Hundred Twenty Four) equity shares to shareholders who held equity shares as on the record date of 09th July, 2018 and Rs. 31,24,52,240 (representing par value of ` 10 per share) was transferred from securities premium and retained earnings to the share capital.

c) Terms / rights attached to equity shares

The company has a single class of equity shares having a par value of `10 per share. Each shareholder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

d) Details of shareholders holding more than 5% equity shares in the company

	As at 31st March, 2020		As at 31st March, 2019	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Fully paid equity shares				
Mr. Sadashiv K. Shetty	1,30,51,796	33.42%	1,41,91,660	36.34%
Mr. Raghuram K. Shetty	1,41,21,984	36.16%	1,29,82,120	33.24%
Mrs. Sujata S. Shetty	32,30,400	8.27%	32,30,400	8.27%
Mrs. Vanita R. Shetty	20,18,000	5.17%	20,18,000	5.17%

e) Reconciliation of number of preference share outstanding at the beginning and at the end of the year

Fully paid preference shares

Balance at 1st April, 2018

Increase/ (Decrease) during the year

Balance at 31st March, 2019

Increase/ (Decrease) during the year

Balance at 31st March, 2020

Number of shares

Share Capital

25,121

25,12,100

(25,121)

(25,12,100)

-

-

-

-



HERANBA INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Note 13. Other Equity		
Securities premium		
Balance at the beginning of the year	42,15,540	7,92,15,540
Add / (Less) :		
Appropriations for issue of bonus shares	-	7,50,00,000
Balance at the end of the year	42,15,540	42,15,540
The Company has issued and allotted during the previous year ended 31/03/2019, 3,12,45,224 equity shares of ₹ 10 each as a bonus shares in the ratio of four equity shares for every one equity share held by the members.		
General reserve		
Balance at the beginning of the year	30,75,00,000	25,75,00,000
Add / (Less) :		
Additions During the year	5,00,00,000	5,00,00,000
Amount transferred from Debenture redemption reserve	-	-
Balance at the end of the year	35,75,00,000	30,75,00,000
Capital Redemption Reserve		
Balance at the beginning of the year		
Add / (Less) :		
Transfer from Retain Earnings	25,12,100	25,12,100
Balance at the end of the year	25,12,100	25,12,100
Retained Earnings		
Balance at the beginning of the year	1,57,69,71,994	1,15,83,52,790
Profit For the Year	97,38,18,838	75,56,68,097
Less:		
Capitalised for Bonus issue 4:1	-	23,74,52,240
Less: Appropriation		
Transfer to Capital Redemption Reserve	-	25,12,100
Transfer to general reserve	5,00,00,000	5,00,00,000
Dividend - equity shares	3,90,56,530	3,90,54,530
Tax on dividend	80,30,023	80,30,023
Balance at the end of the year	2,45,37,04,279	1,57,69,71,994
Total	2,81,79,31,919	1,89,11,99,634



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Note 14. Borrowings		
Non-current		
Vehicle Loans		54,726
- From banks (Refer footnote below)		54,726
Less: Transferred to Current Maturities Of Long Term Loan from Banks		(54,726)
Total		(54,726)

Footnote : Vehicle loans are secured by hypothecation of vehicles and are due for repayment within one year

Current**Secured****From Banks:**

Cash Credit (Refer note A & B)

Packing Credit (Refer note C)

29,91,47,242	40,03,90,251
13,15,68,590	9,82,78,981
43,07,15,832	49,86,69,232

A Cash Credit - Corporation Bank

Sanction limit 53 crores (Previous Year Rs. 53 crores); Interest Rate 12.00 % (Previous Year 13.25 %), Exclusive first charge on hypothecation of entire inventories, Book debts and other current assets present & future

B Cash Credit - Syndicate Bank

Sanction limit 14.50 crores (Previous Year Rs. 14.50 crores); Interest Rate 11.95 % (Previous Year 11.95 %), Exclusive first charge on hypothecation of entire inventories, Book debts and other current assets present & future

C Packing Credit - Corporation Bank

Sanction limit 14 crores (Previous Year Rs. 14 crores); Interest Rate 4.45 % (Previous Year 3.40 %), Exclusive first charge on hypothecation of entire inventories, Book debts and other current assets present & future

The above facilities are secured as follows,

- Pari pasu First charge on the current assets of the company
- Pari pasu Equitable Mortgage of land, buildings and hypothecation of plant and machinery at factory at Vapi
- Joint and several guarantee by all directors of the Company in individual capacity.

- D** During the year, related party of the company namely Insunt Trading Pvt Ltd (Borrower) and Shakti Bio Science Limited (Co Borrower) along with the company as a co borrower has entered into an borrowing arrangement for a term loan of Rs. 35 crores with Aditya Birla Finance Limited ("The Lender") to discharge the liabilities of Shakti Bioscience Limited to its Banker in its capacity as a Co-borrower (Balance outstanding as on 31/03/2020 for Rs.33.54 crore)

As a co borrower, Company has provided following security to the lender,

- Put option on the company, if default happens
- Lien on units invested in Aditya Birla Sunlife Mutual Fund amounting to Rs. 3,50,05,000/-
- First charge on Land situated at Sarigam
- Personal Guarantee of Key Management Personnel

Tenure of the loan is 60 months from date of first disbursement and Interest rate is 11.85% P.A.

Unsecured, Considered good

Payable on demand

From shareholders/directors (Refer note)

74,121	74,121
74,121	74,121
43,07,89,953	49,87,43,353

Total

Unsecured loans taken from shareholders / directors are interest free and repayable on demand



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

HERANBA INDUSTRIES LIMITED	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Note 15. Other financial liabilities		
Non-current		
Security Deposit from Dealers (Interest bearing @ 9% p.a)	6,14,46,293	5,72,74,793
Total	6,14,46,293	5,72,74,793
Current		
Current maturities and overdue installments of long-term debts	-	54,726
Interest accrued and due	3,22,72,049	2,82,84,752
Unclaimed/unpaid dividends	41,608	41,608
Other payables	10,69,92,678	9,35,06,714
Total	13,93,06,335	12,18,87,800



HERANBA INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Note 16. Provisions		
Non-current		
Employee Benefits		
Provision for leave benefit	64,90,462	42,15,765
	64,90,462	42,15,765
Current		
Employee Benefits		
Provision for Gratuity	4,37,90,311	3,91,91,106
Provision for leave benefit	1,36,05,354	98,80,869
Total	5,73,95,665	4,90,71,975

Note 17. Deferred Tax balances (Net)

The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet

Deferred Tax Asset	45,68,164	72,62,798
Deferred Tax Liability	(2,06,62,078)	(4,85,29,239)
Total	(1,60,93,914)	(4,12,66,441)

2019-2020

Deferred tax assets / (liabilities) in relation to:	Opening Balance	Recognised in profit or loss	Closing Balance
Property, Plant and Equipment	(4,85,29,239)	2,78,67,162	(2,06,62,078)
Provisions	53,16,318	(19,03,594)	34,12,724
Impairment Allowance for trade receivables	19,44,763	(3,35,139)	16,09,625
Fair Valuation of Investment	1,717	(5,21,292)	(5,19,575)
Others	-	65,391	65,391
	(4,12,66,441)	2,51,72,528	(1,60,93,914)

Note: Pursuant to notification of Taxation Laws (Amendment) Ordinance 2019, the company has obtained to pay tax as per section 115BAA at the income rate of 22 percent (Plus applicable surcharge and cess). Consequently, during the year ended March 31, 2020, the company has recognised the impact of remeasurement of net deferred tax assets / liabilities and the current tax charge. Accordingly the excess net deferred tax liabilities of Rs.62.50 Lakhs has been reversed during the year ended March 31, 2020.

2018-2019

Deferred tax assets / (liabilities) in relation to:	Opening Balance	Recognised in profit or loss	Closing Balance
Property, Plant and Equipment	(4,22,27,704)	63,01,535	(4,85,29,239)
Provisions	46,33,114	(6,83,204)	53,16,318
Impairment Allowance for trade receivables	17,54,181	(1,90,582)	19,44,763
Fair Valuation of Investment	(1,221)	(2,938)	1,717
Others	(1,34,740)	(1,34,740)	-
	(3,59,76,371)	52,90,070	(4,12,66,441)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Note 18. Trade payables		
Total outstanding dues of micro enterprises and small enterprises	3,91,77,853	6,91,95,934
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,08,55,05,434	2,28,28,71,996
Total	2,12,46,83,287	2,35,20,67,930

Trade payables are non interest bearing and normally settled on 30 to 90 days

Dues to Micro & Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro Small & Medium Enterprises Development Act, 2006.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal	3,91,77,853	6,91,95,934
Interest	98,798	6,67,390
Interest paid by the buyer alongwith amount of payment made to the suppliers beyond the appointed day during the year.	-	-
Interest due and payable towards payments already made	8,46,161	1,78,771
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	9,44,959	8,46,161
Further interest remaining due and payable in succeeding years, until such interest is actually paid	9,44,959	8,46,161

Note 19. Other Liabilities**Non Current**
Lease Liability**Total**

22,79,381	-
22,79,381	-

Current

Advance against orders

Lease Liability

Other payables:

Statutory liabilities

Employee Benefits Payable

Total

9,85,22,716	4,70,30,481
16,20,000	-
85,84,463	36,22,118
5,44,63,431	4,58,03,327
16,31,90,610	9,64,55,926



HERANBA INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

	Year ended 31st March, 2020 Rs.	Year ended 31st March, 2019 Rs.
Note 20. Revenue from operations		
Sale from operations :		
Sale of Goods	9,17,29,73,354	9,86,23,99,557
Sale of Traded Goods	16,96,75,220	6,73,99,300
Other operating revenue :		
Export Incentive (Refer Note 39)	17,10,88,646	11,46,40,856
Total	9,51,37,37,220	10,04,44,39,713
Note 21. Other income		
Interest Income	55,25,289	96,03,786
Dividend Income	20,068	19,989
Foreign Exchange Fluctuation Gain (Net)	14,35,33,195	3,18,28,804
Gain/(Loss) Fair Valuation of Investment	(17,366)	(4,962)
	14,90,61,186	4,14,47,617
Other gains and losses		
Surplus on sale of fixed assets	2,68,143	-
	2,68,143	-
Miscellaneous income	1,59,93,992	3,24,94,356
Total	16,53,23,321	7,39,41,973

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on financial statement of the Company.

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue from customers	9,34,26,48,574	9,92,97,98,857
Other operating revenue	17,10,88,646	11,46,40,856
Total revenue from operations	9,51,37,37,220	10,04,44,39,713
India	4,82,22,14,611	5,12,67,70,275
Outside India	4,69,15,22,609	4,91,76,69,439
Total revenue from operations	9,51,37,37,220	10,04,44,39,714
Timing of revenue recognition		
At a point in time	9,51,37,37,220	10,04,44,39,713
Total revenue from operations	9,51,37,37,220	10,04,44,39,713



Contract Balances

Particulars

Trade Receivables (Gross) (refer note 10)

As at 31 March 2020 As at 31 March 2019

Contract liabilities

2,69,42,29,544 2,67,37,69,401

Advance from customers (refer note 19)

9,85,22,716 4,70,30,481

The credit period on sales of goods ranges from 30 to 90 days with or without security.

As at 31 March 2020, Rs.7,02,52,326 (As at 31 March 2019 Rs. 6,38,56,806) was recognised as provision for allowance for doubtful debts on trade receivables.

Amount of revenue recognized from amounts included in the contract liabilities at As at 1st April 2019 Rs.4,70,30,481 (As at 31 March 2018 Rs. 68,37,873)

Out of the total contract liabilities outstanding as on 31 March 2020, Rs. 9,85,22,716 will be recognized by 31 March 2021.

Significant adjustments between the contracted price and revenue recognized in the Statement of profit and loss account:

Reconciliation of revenue from operations with Contract Price

Contract Price

9,88,87,59,308 10,59,48,39,731

Less:

Sales Returns

42,44,48,017 53,89,87,180

Discounts

12,16,62,718 12,60,53,695

Total Revenue from operations

9,34,26,48,573 9,92,97,98,857



HERANBA INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	Year ended 31st March, 2020 Rs.	Year ended 31st March, 2019 Rs.
Note 22. Cost of materials consumed		
Opening Stock		
Add: Purchases	41,37,44,033	37,68,18,590
Less: Closing stock	6,52,80,08,977	7,12,04,78,127
	54,39,52,496	41,37,44,033
Total	6,39,78,00,514	7,08,35,52,684
Note 23. Changes in Inventories of Finished Goods and Work-in-Progress		
Opening Stock of Finished Goods	67,35,05,097	51,05,97,992
Opening Stock of Work In Progress	5,16,92,257	4,39,11,549
	72,51,97,354	55,45,09,541
Less: Closing Stock of Finished Goods	83,25,96,527	67,35,05,097
Closing Stock of Work In Progress	6,91,44,394	5,16,92,257
	90,17,40,921	72,51,97,354
Total	(17,65,43,567)	(17,06,87,813)
Note 24. Employee Benefits Expense		
Salaries, wages and bonus, etc.	44,58,94,973	35,54,56,545
Contribution to provident and other funds	51,81,914	99,91,582
Staff welfare expenses	1,35,69,475	1,46,06,770
Total	46,46,46,362	38,00,54,897



HERANBA INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

	Year ended 31st March, 2020 Rs.	Year ended 31st March, 2019 Rs.
Note 25. Finance Costs		
Interest on :		
- Fixed loans	56,03,781	60,47,410
- Cash Credits	4,20,45,366	7,00,64,025
- Bill Discounting	57,28,941	56,89,470
- Interest on statutory Dues	36,53,533	48,251
Other interest expense	3,13,33,008	2,51,77,441
Interest on Redemable Preference shares and Tax thereon	-	3,01,452
Total	8,83,64,629	10,73,28,049
Note 26. Depreciation and Amortisation		
Depreciation of property, plant and equipment	8,20,31,982	5,95,35,723
Total	8,20,31,982	5,95,35,723
Note 27. Other Expenses		
Consumption of Stores and Spares	26,41,86,023	29,02,56,382
Repairs & Maintainance to:		
- Machinery	2,53,15,788	31,00,026
- Building	55,39,770	3,02,07,744
- Vehicle	10,43,707	12,43,815
- Others	90,22,963	3,04,18,692
Insurance	1,12,46,554	1,35,69,651
Rent, Rates and taxes	2,86,85,115	1,54,90,218
Donations (It includes Rs.5 Lakhs (P.Y. Nil) paid to Political Party)	8,52,202	8,73,601
Allowances for doubtful debts	63,95,520	56,19,403
Payment to Auditor (Refer Note a)	15,00,000	15,00,000
Power and Fuel (Refer Note 39)	41,65,94,315	37,01,86,981
Freight (Refer note 39)	19,75,31,403	20,79,89,482
Corporate Social Responsibility	1,29,93,339	1,38,09,414
Loss on sale of Assets	-	10,572
Other expenses	40,03,48,132	38,84,10,167
Total	1,38,12,54,831	1,37,26,86,148
a) Payment to Auditors		
As Auditor :		
- Audit fees	12,00,000	12,00,000
In other capacity :		
- Other services (Certification fees)	3,00,000	3,00,000
	15,00,000	15,00,000
b) Corporate Social Responsibility		

Gross Amount required to be spent during the year is Rs. 1,55,82,115/- (P.Y. Rs.93,15,578/-), the amount spent during the year on purpose other than construction/acquisition of asset is Rs. 129,93,339/- (P.Y. Rs. 1,38,09,414/-).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	Year ended 31st March, 2020	Year ended 31st March, 2019
Note 28. Earnings per share (EPS)		
Basic and Diluted Earning Per Share (In Rs.)	25.03	19.31

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows

Profit for the year attributable to the Equity shareholders of the Company	97,74,99,848	75,40,19,329
Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Nos.)	3,90,56,530	3,90,56,530

Note 29. Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**A. Defined benefit obligation - Gratuity**

The Principal assumptions used for the purpose of the actuarial valuations were as follows,

	31st March, 2020	31st March, 2019
Discount Rate	6.80%	7.59%
Expected rate of salary increase	8.00%	8.00%
Expected average remaining service	11.10	11.32
Service cost		
Current service cost	75,08,247	66,10,856
Past service cost and (gain)/loss from settlement	27,63,632	24,95,437
Net interest expense	-	-
component of define benefit cost recognised in profit or loss	1,02,71,879	91,06,293
Actuarial (gains) / losses for the period		
Actuarial (gains) / losses arising from experience adjustments	4,73,960	-
Actuarial (gains) / losses arising from financial assumptions	49,44,852	(18,47,952)
Actuarial (gains) / losses arising from Demographic assumptions	-	-
Adjustment for restriction on the defined benefit asset	-	-
Return on plan assets (excluding amounts included in net interest expense)	(3,43,992)	1,99,184
Component of defined benefit cost recognised in OCI	50,74,820	(16,48,768)
Total	51,97,059	1,07,55,061
Present value of funded define benefit obligation	5,75,96,479	5,75,96,479
Fair value of plan assets	(2,24,86,160)	(1,84,05,373)
Funded status	3,51,10,319	3,91,91,106
Net liability arising from define benefit obligation		
Movement in PV of defined benefit obligation		
Opening define benefit obligation	5,75,96,479	5,00,07,907
Current service cost	75,08,247	66,10,856
Interest cost	42,71,304	24,95,437
Remesaurement (gains) / (losses):		
Actuarial gains and losses arising from changes in demogaphic assumption		
Actuarial gains and losses arising from changes in financial assumption	49,44,852	(18,47,952)
Past Service Cost -(vested benefits)		11,26,091
Actuarial gains and losses arising from changes in experience adjustment	4,73,960	-
Benefits paid	(26,42,121)	(7,95,860)
closing define benefit obligation	7,21,52,721	5,75,96,479



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	Year ended 31st March, 2020	Year ended 31st March, 2019
Movements in fair value of plan assets		
Opening fair value of plan assets	1,84,05,373	1,33,73,347
Interest income	15,07,672	11,26,091
Return on plan assets (excluding amounts included in net interest expense)	(3,43,992)	(1,99,184)
Contribution from employer	55,59,228	49,00,979
Benefits paid	(26,42,121)	(7,95,860)
Closing fair value of plan assets	2,24,86,160	1,84,05,373
Asset Information:		
Gratuity Fund	Total Amount	Total Amount
LIC of India	2,24,86,160	1,84,05,373
Expected Payout:		
Year	PVO Payout	PVO Payout
Expected Outgo First	81,66,826	72,25,802
Expected Outgo Second	44,10,229	37,18,269
Expected Outgo Third	41,44,697	38,30,792
Expected Outgo Fourth	40,92,945	42,39,805
Expected Outgo Fifth	49,36,809	34,56,764
Expected Outgo Sixth to Tenth Years	2,92,22,110	2,22,09,067

Sensitivity Analysis:

As of 31st March, 2020, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs. 6,59,91,246

As of 31st March, 2020, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs. 7,93,64,046

As of 31st March, 2020, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs. 7,87,51,704.

As of 31st March, 2020, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs. 6,62,82,167

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Projected service cost as on 31st March 2021 is Rs. 90,72,821

Narrations:**1 Analysis of Defined Benefit Obligation**

The number of members under the scheme have increased by 3.56%.

The total salary has increased by 13.44% during the accounting period.

The resultant liability at the end of the period over the beginning of the period has increased by 25.27%.

2 Expected rate of return basis:

EROA is the discount rate as at previous valuation date as per the accounting standard

3 Description of Plan Assets and Reimbursement Conditions

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to insurer's Surrender Policy

4 Investment / Interest Risk

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

5 Longevity Risk

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	Year ended 31st March, 2020	Year ended 31st March, 2019
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NOTE 30.

Operating Lease commitments - Company as Lessee

The future minimum lease rentals payable under non cancellable operating leases as at 31st March are as follows:

Particulars	31st March, 2020 Rs.	31st March, 2019 Rs.
For a period:		
- Not later than one year	1,45,80,540	1,35,40,892
- Later than one year and not later than five years	59,26,581	1,05,79,424
- Later than five years		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Notes 31 : Related Party Transactions

A. Relationship

Enterprises over which key management personnel and their relatives exercise control

- a Sams Industries Limited
- b Shakti Bioscience Limited
- c Heranba Agrosience Limited
- d Insunt Trading P Ltd.

Key Management Personnel and their Relatives

- a Sadashiv K Shetty
- b Raghuram K Shetty
- c Sujata S Shetty
- d Vanita R Shetty
- e Shriraj S Shetty
- f Raunak R Shetty
- g Shreya Shetty
- h Roshan R Shetty
- i Sadashiv Shetty - HUF
- j Raghuram Shetty - HUF
- k Maheshwar V Godbole
- l Abdul Latif

Sr. No.	Nature of transaction	Key management personnel, their relatives	Enterprises over which key management personnel and their relatives exercise control
		Rs.	Rs.
B.	Transactions with Related Parties		
i.	Advance Given / Adjusted		
	Shakti Bioscience Limited	(-)	(10,64,168)
	Insunt Trading P Ltd.	(-)	1,04,08,152
	Advance Received / Adjusted		
	Sams Industries Limited	(-)	(25,000)
	Insunt Trading P Ltd.	(-)	4,25,00,000
		(-)	(-)
ii.	Purchase of Goods / Jobwork / Other Expense		
	Shakti Bioscience Limited	(-)	5,47,52,923
		(-)	(3,30,36,838)
	Lease Rent		
	Heranba Agrosience Ltd.	(-)	4,86,000
	Interest Paid		
	Insunt Trading P Ltd.	(-)	17,75,436
			(-)
	Professional Charges		
	Mrs. Shreya M. Shetty	18,00,000	(-)
		(18,00,000)	(-)
iii.	Interest Received		
	Insunt Trading P Ltd.	(-)	1,58,297
		(-)	(-)
iii.	Payment of Dividend		
	Interim Dividend		
	Sadashiv K Shetty	1,30,51,796	(-)
		(1,41,90,660)	(-)
	Raghuram K Shetty	1,41,21,984	(-)
		(1,29,82,120)	(-)
	Sujata S Shetty	32,30,400	(-)
		(32,30,400)	(-)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Vanita R Shetty	20,18,000 (20,18,000)	- (-)
Shriraj S Shetty	8,42,500 (8,42,500)	- (-)
Raunak R Shetty	6,36,250 (6,36,250)	- (-)
Shreya Shetty	9,42,500 (9,42,500)	- (-)
Roshan R Shetty	6,36,250 (6,36,250)	- (-)
Sadashiv K Shetty - HUF	3,20,600 (3,20,600)	- (-)
Raghuram K Shetty - HUF	13,80,000 (13,80,000)	- (-)
Sams Industries Limited	14,26,250 (14,26,250)	- (-)
iv. Remuneration of key management personnel		
Sadashiv K Shetty	1,78,46,297 (1,28,90,122)	- (-)
Raghuram K Shetty	7,52,57,621 (2,59,30,293)	- (-)
Sujata S Shetty	13,21,600 (12,21,600)	- (-)
Vanita R Shetty	13,21,600 (12,21,600)	- (-)
Shriraj S Shetty	12,76,600 (11,11,600)	- (-)
Raunak R Shetty	12,76,600 (11,11,600)	- (-)
Maheshwar V. Godbole (Previous year, for part of the year)	27,71,064 (12,83,704)	- (-)
Abdul Latif	18,78,300 (6,26,000)	- (-)
	31st March, 2020	31st March, 2019
	Rs.	Rs.
C. Outstanding as at Balance Sheet Date		
i. Receivables / (Payable)		
Heranba Agrosience Limited	(4,86,000)	22,42,300
Shakti Bioscience Limited	7,08,45,935	7,74,11,852
Sams Industries Ltd	25,000	25,000
Insunt Trading P Ltd.	89,52,728	-
ii. Guarantee given by key management personnel to Bank	58,15,65,190	68,24,01,346
iii. Guarantee given by key management personnel as a co borrower to Bank	33,54,16,660	-

a. Previous year figures are given in brackets.

b. Related party relationships are as identified by the Company and relied upon by the auditors.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

NOTE 32

CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR) :

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
A Claims against the company not acknowledged as debts		
1 Guarantees issued by bank	4,12,86,498	4,26,83,940
2 In respect of security provided to Aditya Birla Finance Limited for Loan availed by related party (Refer Note 14D)	33,54,16,660	-
3 Disputed Excise Duty/ Custom Duty Demands	16,23,76,000	16,23,76,000
4 Disputed VAT Liability - UP state [deposited against appeal Rs. 22,48,781/-]	44,97,563	-
5 Export bills discounted with Bank	10,95,62,860	14,10,48,174
B Commitments		
Estimated amount of contracts remaining to be executed in Capital Account and not provided for (Net of Advance)	17,15,19,638	8,66,86,907



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 33. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's senior management oversees management of these risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

a) Foreign currency risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices etc. The company operations involve foreign exchange transactions including mainly import, export, packing credit facilities and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US\$. Foreign currency risk arises from future commercial transactions and recognised in assets and liabilities denominated in foreign currency that is not company's functional currency. (i.e INR) The risk is measured through forecast of highly probable foreign currency cash flow.

No derivative instrument were outstanding at the end of the year.

Uncovered risks in foreign currency transactions disclosed as at:

Particulars	Currency	31st March, 2020	31st March, 2019
Borrowing (PCFC)	INR	13,15,68,590	9,82,78,981
Trade Receivable	INR	1,12,42,74,448	1,09,01,33,018
Trade Payable	INR	87,79,04,537	87,79,04,537

Sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax

Particulars	31st March, 2020		31st March, 2019	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD (Receivables)	7,45,867	(7,45,867)	7,86,744	(7,86,744)
USD (Payables)	(5,82,420)	5,82,420	(6,33,579)	6,33,579
Increase/(Decrease) in Profit or loss (in USD)	1,63,447	(1,63,447)	1,53,164	(1,53,164)

b) Interest rate risk

Long-term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

c) Other Market Price Risk

The company is exposed to Equity price risk, which arises from FVTPL of Equity securities. The company has a very insignificant portion of amount invested in quoted equity securities. The management monitors the proportion of quoted equity instruments in its investment portfolio based on market indices.

2) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade and Other Receivables:

The Company maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, classification of customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Company creates provision for past due receivables beyond 90 days ranging between 10-11 % after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Company also provides 2% allowances for receivables not due and past due upto 90 days except export receivables, if any.

Summary of company's exposure to credit risk by age of the outstandings from various customer is as follows

Particulars	31st March, 2020	31st March, 2019
Not due	1,44,03,11,444	1,53,55,64,153
past due upto 90 days	65,29,20,357	73,27,48,943
Past due more than 90 days	67,12,50,069	46,93,13,112
Total	2,76,44,81,870	2,73,76,26,207
Less: Impairment Allowance	7,02,52,326	6,38,56,806
Total	2,69,42,29,544	2,67,37,69,401

Expected credit loss assessment for customers as at 31 March 2020



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

3) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The Company manages its liquidity risk by preparing month on month cash flow projections to monitor liquidity requirements.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 year	1 to 5 years	Total
Year Ended 31st March 2020			
Borrowing	43,07,89,953		43,07,89,953
Trade Payable	2,12,46,83,287		2,12,46,83,287
Other Financial Liabilities	13,93,06,335	6,14,46,293	20,07,52,628
Year Ended 31st March 2019			
Borrowing	49,87,43,353	-	49,87,43,353
Trade Payable	2,35,20,67,930	-	2,35,20,67,930
Other Financial Liabilities	12,18,87,800	5,72,74,793	17,91,62,592

Note 34. Segment Reporting

Due to similar nature of products, production process, customer types etc, the company has a single operating segment of "Agro chemicals" during the year

Geographical Segment

The Company primarily operates in India and therefore the analysis of geographical segment is demarcated into its Indian and Overseas operations as under

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
	Rs.	Rs.
Revenue (Gross Sale)		
India	4,82,22,14,611	5,12,67,70,275
Overseas	4,69,15,22,609	4,91,76,69,439
Total	9,51,37,37,220	10,04,44,39,713
Non-current assets other than Financial Assets		
India	1,41,27,95,034	1,01,56,66,393
Overseas	-	-
Total	1,41,27,95,034	1,01,56,66,393

The Company is not reliant on revenue from transactions with any single external customer and does not receive 10% or more of its revenue from transactions with any single external customer



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020
 Note 35. Fair Value Measurements

i) Financial Instrument by Category:

	31st March, 2020			31st March, 2019			Fair Value Hierarchy			
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost	Level 1	Level 2	Level 3	Total
Financial Assets										
Investments	3,70,86,794	17,872	2,04,574	-	35,238	2,07,074	3,71,04,666	-	-	3,71,04,666
Trade receivables	-	-	2,58,46,66,684	-	-	2,53,27,21,227	-	-	-	35,238
Cash and cash equivalents	-	-	3,19,43,790	-	-	20,96,47,522	-	-	-	-
Loans	-	-	89,52,728	-	-	-	-	-	-	-
Other financial assets	-	-	10,14,41,571	-	-	8,63,98,448	-	-	-	-
Total	3,70,86,794	17,872	2,72,72,09,347	-	35,238	2,82,89,74,271	3,71,04,666	-	-	3,71,04,666
Financial Liabilities										
Borrowings	-	-	43,07,89,953	-	-	49,87,43,353	-	-	-	-
Trade payables	-	-	2,12,46,83,287	-	-	2,35,20,67,930	-	-	-	-
Other Financial liabilities	-	-	20,07,52,628	-	-	17,91,62,592	-	-	-	-
Total	-	-	2,75,62,25,868	-	-	3,02,99,73,875	-	-	-	-

ii) Fair value hierarchy:

The company uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation

Level 1: Quoted (unadjusted) prices in active markets for identical Assets or Liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

iii) The company has fair valued its Equity investment through profit and loss and Liquid Investment through OCI based on quoted prices of such investments in active market. Hence it falls under level 1 valuations technique.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 36. Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents.

The gearing ratio at the reporting period was as follows

	As at 31st March, 2020	As at 31st March, 2019
Debt	43,07,89,953	49,87,98,079
Less: Cash and cash equivalents	3,19,43,790	20,96,47,522
Net Debt (A)	39,88,46,163	28,91,50,557
Equity Share Capital	39,05,65,300	39,05,65,300
Other Equity	2,81,79,31,919	1,89,11,99,634
Total Equity (B)	3,20,84,97,219	2,28,17,64,934
Debt Equity Ratio (A/B)	0.12	0.13

Note 37:

During the year ended 31st March 2020 the Company incorporated a company to be a wholly owned Subsidiary company namely CHANG ZHOU Heranba crop science and technology Co. Ltd in China having address at No.2 Building 53, Hengsheng Science Park, Tianning District, Changzhou City. As on reporting date i.e. 31/03/2020, the company has not contributed any amount towards capital of the subsidiary. Further, no shares have been allotted by the subsidiary to the company till reporting date.

Note 38:

Agro- chemical products being essential goods, the company continued to operate during lock down in the crisis situation of COVID-19, which has been declared as pandemic by World Health Organisation. The agro chemical is among the businesses that are least impacted due to COVID-19. The Company believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the company is not expecting any significant change in estimates as of now as the company is running its business and operations as usual without any major disruptions.

Note 39:

Prior Period Disclosure:

Following expenses have been reinstated in the previous year ended 31st March 2019 to give impact of prior period expense incurred during the year

Particulars	As at 31st March, 2020	As at 31st March, 2019
Freight Expense	10,31,268	-
Return of Export Incentive	72,32,312	-
Gas Expense	10,52,834	-
Total	93,16,414	-

Due to aforesaid expenses, profit for the previous year 2018-19 and closing retained earning has been reinstated to the extent of Rs.93,16,414.



HERANBA INDUSTRIES LIMITED


Note 40:

Previous period figures have been restated for prior period adjustments and regrouped / reclassified wherever necessary, to make them comparable with current period figures.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W


Divakar Shetty
Partner
Membership No. 100306

Mumbai
Date: 21st August, 2020



For Heranba Industries Limited


S. K. Shetty
Chairman
DIN: 00038681


R. K. Shetty
Managing Director
DIN: 00038703


Maheshwari Godbole
Chief Financial Officer


Abdul Latif
Company Secretary



ATTENDANCE SLIP

HERENBA INDUSTRIES LIMITED

[CIN: U24231GJ1992PLC017315]

Registered Office: Plot No 1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195

28th Annual General Meeting- 28th September, 2020

Name of the Member:

DPID :		Client ID/Folio No.	
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Number of Shares held	
------------------------------	--

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 28th Annual General Meeting of the company to be held at Plot No 1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195 India on Monday, 28th day of September, 2020 at 11.00 a.m.

.....

Name of the member / proxy

(In BLOCK LETTERS)

.....

Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

Form No-MGT-11**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules 2014]

HERENBA INDUSTRIES LIMITED**[CIN: U24231GJ1992PLC017315]**

Registered Office: Plot No 1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195

Website:www.heranba.co.in

Email id: abdul@heranba.com

28th Annual General Meeting-28th September, 2020**Name of the Member:****Registered Address:****E-mail ID:**.....

DPID No:		Client ID/Folio No.	
-----------------	--	----------------------------	--

I / We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name Address.....

Email ID Signature..... or failing him/her

(2) Name Address.....

Email ID Signature..... or failing him/her

(3) Name Address.....

Email ID..... Signature.....

as my/our proxy to attend and vote for me/us and on my/our behalf at Extra Ordinary General Meeting of the company to be held on Plot No 1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195 India on Monday, **28th day of September, 2020** at 11.00 a.m. or at any adjournment thereof in respect of such resolutions.

Resolution			
Ordinary Business		For	Against
1	Adoption of the Financial Statements and Report of the Board of Directors and Auditors thereon		
2	Declaration of Dividend on Equity Shares		
3	Appointment of Mrs. Sujata S Shetty Executive Director, liable to retire by rotation		
4	Appointment of Mr. Raunak R Shetty, Executive Director, liable to retire by rotation		
5	Ratification of the appointment of the Statutory Auditor		
Special Business			
6	Ratification of the remuneration to be paid to the Cost Auditor		
7	Reclassification of Mr. Babu Kunjanna Shetty, Mrs. Sandhya Vittal Bhandary And Mr. Vittala Kinhanna Bhandary from “Promoter Category” to “Public Category”		
8	Enter into Related Party Transactions		

AS WITNESS my hand /our hands this _____ day of _____ 2020.

Signed by the shareholder _____

Signed by the Proxy Holder(s) _____

Affix	Revenue
Stamp	not less
than Rs. 1/-	

Note:

1. The proxy form must be deposited at the Registered office of the company not less than 48 hours before the time of the holding the meeting. The proxy need not be a member of the company.
2. Any alteration or correction made to this Proxy Form must be initialled by the signatory/ies
3. If you wish to vote for a Resolution, place a tick in the corresponding box under column marked "For".
If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your Proxy may vote or abstain as he/she thinks fit.

