# ACME RESOURCES LIMITED

## 35th
## Annual Report
## 2019 – 2020



**ACME RESOURCES LIMITED**

**35th**
**Annual Report**
**2019 – 2020**

**BOARD OF DIRECTORS**
Mr. Vivek Chaturvedi, Chairman & Managing Director
Shri Kuldeep Saluja
Ms. Swati Agarwal
Mr. Hitesh Chopra

**COMPANY SECRETARY**
Vineeta Sharma

**STATUTORY AUDITORS**
T R Chadha & Co LLP
Chartered Accountants

**BANKERS**
HDFC Bank Ltd.
State Bank of India
Vijaya Bank

***REGISTERED OFFICE***
984, 9th Floor, Aggarwal Cyber Plaza-II
Netaji Subhash Place, Pitampura
New Delhi - 110034
Phone: (011) 27026766
Fax: 91-11 47008010
Email: acmeresources@gmail.com
Website: www.acmeresources.in

***CORPORATE OFFICE***
984, 9th Floor, Aggarwal Cyber Plaza-II
Netaji Subhash Place, Pitampura
New Delhi - 110034
Phone: (011) 27026766
Fax: 91-11 47008010
Email: acmeresources@gmail.com
Website: www.acmeresources.in

***REGISTRAR AND SHARE TRANSFER AGENT***
Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd floor
Kolkata - 700001

**Listed At :** BSE Ltd. and Kolkata Stock Exchange

**ACME RESOURCES LIMITED**
Regd. Office: 984, 9th Floor, Aggarwal Cyber Plaza-II, Netaji Subhash Place,
Pitampura, New Delhi - 110034
CIN No. : -L65993DL1985PLC314861, Phone: (011)27026766, Fax: 91-11 47008010
Email: acmeresources@gmail.com Website: www.acmeresources.in

**NOTICE** is hereby given that the 35th Annual General Meeting of the Members of **ACME RESOURCES LIMITED** will be held on Wednesday, the 30th day of September 2020 at 10.00 A.M. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to facility the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Standalone Balance Sheet as at March 31, 2020, Statement of Profit and Loss for the financial year ended on March 31, 2020, Cash Flow Statement for the financial year ended March 31, 2020 and reports of Directors and Auditors thereon

2. To receive, consider and adopt the Audited Consolidated Balance Sheet as at March 31, 2020, Statement of Profit and Loss for the financial year ended on March 31, 2020, Cash Flow Statement for the financial year ended March 31, 2020 and report of Auditors thereon.

3. **Ratification of Appointment of T R Chadha & co. LLP, chartered accountants as the Statutory auditors**

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

   **"RESOLVED** that pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), appointment of T R Chadha & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company, be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on such terms and remuneration as may be agreed upon between the Audit Committee/ Board of Directors and the Auditors."

   **RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the resolution hereof."

**SPECIAL BUSINESS**

4. **To regularise and confirm the appointment of Mr. Hitesh chopra as independent director:**

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

   **"RESOLVED THAT** Mr. Hitesh Chopra (DIN – 08708186), who was appointed as Independent Director of the Company, by the Board of Director in their Meeting held on 26th February, 2020 under Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) for the time being in force read with schedule IV to the Companies Act, 2013 and who hold office upto date of this Annual General Meeting subject to the approval of Shareholders, his appointment as Independent Director of the company be and is hereby confirm for five Consecutive years with effect from 26th February, 2020 for a term up to 25th February, 2025."

5. **To regularise and confirm the appointment of Mrs. Swati agrawal as independent director and women director:**

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

**"RESOLVED THAT** Mrs. Swati Agrawal (DIN – 06684407), who was appointed as Independent Director and Women Director of the Company, by the Board of Director in their Meeting held on 26th February, 2020 under Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) for the time being in force read with schedule IV to the Companies Act, 2013 and who hold office upto date of this Annual General Meeting subject to the approval of Shareholders, his appointment as Independent Director of the company be and is hereby confirm for five Consecutive years with effect from 26th February, 2020 for a term up to 25th February, 2025."

6. **Adoption of new set of memorandum of association as per the companies act, 2013:**

**"RESOLVED THAT** the heading specified in Clause III (B) of Memorandum of Association i.e. "The Object Incidental or Ancillary to the Attainment of the Main object" be replaced with the heading "Matters which are Necessary for furtherance of the object specified in Clause III(A)" to comply with the provisions of Companies Act, 2013.

**"FURTHER RESOLVED THAT** "The Object Incidental or Ancillary to the Attainment of the Main object" from point/clause number 1-58 shall be replaced altogether by new set of objects vide point/clause number 1-22 as mentioned in Clause III (B) under the heading "Matters which are Necessary for furtherance of the object specified in Clause III(A)"

**"FURTHER RESOLVED THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the objects specified in clause III (C) i.e. under the heading "The Other Objects" are altogether removed to comply with the Provisions of the Companies Act, 2013."

7. **Adoption of new set of articles of association as per table F of the companies act, 2013:**

**"RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013, the existing Articles of Association of the Company are replaced altogether by the Articles as per Table "F" in the schedule I to the Companies Act, 2013"

Date: 01.09.2020
Place: New Delhi

**By order of the Board**
**For ACME RESOURCES LIMITED**
sd/-
Vineeta Sharma
Company Secretary

*REGISTERED OFFICE*
984, 9th Floor
Aggarwal Cyber Plaza-II
Netaji Subhash Place, Pitampura,
New Delhi –110034
Phone: (011) 27026766
Fax: 91-11 47008010
Email: acmeresources@gmail.com
Website: www.acmeresources.in

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM hereinafter called as 'e-AGM'.

2. The deemed venue for thirty-fifth e-AGM shall be the Registered Office of the Company at 984, 9th Floor, Aggarwal Cyber Plaza-II, Netaji Subhash Place, Pitampura, New Delhi – 110034.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation etc., authorising their representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the scrutinizer by email through its registered e-mail at **mdpldc@yahoo.com** with a copy marked to acmeresources@gmail.com.

5. Statement pursuant to section 102 of the Act forms a part of this Notice. The Board of Directors, at their meeting held on 1st September 2020, has decided that the special business set out under item nos. 4 to 7 being considered unavoidable, be transacted at the thirty-fifth e-AGM of the Company.

6. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 10.00 a.m. to 11.00 a.m. and will be available for 1,000 members on a firstcome first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.

7. Institutional investors, who are members of the Company are encouraged to attend and vote at the thirty fifth e-AGM of the Company.

8. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.

9. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Maheshwari Datamatics (P) Limited.

10. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, SEBI Circular dated 12 May 2020, Notice of thirty-fifth e-AGM along with the Annual Report for FY2020 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice and Annual Report for FY2020 will also be available on the Company's website at https://www.acmeresources.in website of the stock exchanges.

11. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. In case of shares held in physical form, members are advised to register their e-mail address with Maheshwari Datamatics (P) Limited. Further, the Company had availed of services offered by NSDL to update email addresses of shareholders of the Company having their holding with a depository participant registered with NSDL and have not registered their email addresses. Members are requested to register their email id and support the green initiative efforts of the Company.

12. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for FY2020 and Notice of thirty-fifth e-AGM, may temporarily get themselves registered with Maheshwari Datamatics (P) Limited for receiving the same. Members are requested to support our commitment to environment protection by choosing to receive the Company's communication through email going forward.

13. With a view to enable the Company to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

14. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialise their physical holdings.

15. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

16. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.

17. The Company has been maintaining, inter alia, the following statutory registers at its registered office at 984, 9th Floor, Aggarwal Cyber Plaza-II, Netaji Subhash Place, New Delhi:

    i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
    ii) Register of directors and key managerial personnel and their shareholding under section 170 of the Act. In accordance with the MCA Circulars, the said registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

18. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by visiting URL https://acmeresources.in and clicking on the tab 'Post your Queries' during the period starting from 28th September 2020 (9.00 a.m.) upto 29th September 2020 (5.00 p.m.) mentioning their name, demat account no./Folio no., e-mail Id, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

19. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the Company's website. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

20. For more details on shareholders' matters, please refer to the section on 'General Shareholder Information', included in the Annual Report.

21. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.

22. In case a person becomes a member of the Company after dispatch of e-AGM Notice, and is a member as on the cut-off date for e-voting, i.e., Wednesday, 23rd Sep'2020, such person may obtain the user id and password from Maheshwari Datamatics (P) Limited.

23. Alternatively, member may send signed copy of the request letter providing the email address, mobile number and self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via email to acmeresources@gmail.com for obtaining the Annual Report and Notice of e-AGM.

24. The procedure and instructions for remote e-voting are given below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/
Step 2: Cast your vote electronically on NSDL e-Voting system.
Details on Step 1 is mentioned below:
How to Log-in to NSDL e-Voting website?
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon Login which is available under Shareholders section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the initial password which was communicated to you. Once you retrieve your initial password, you need to enter the initial password and the system will force you to change your password.
c) How to retrieve your initial password?
(i) If your email ID is registered in your demat account or with the company, your initial password is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your User ID and your initial password.
(ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned above in this notice.

6. If you are unable to retrieve or have not received the Initial password or have forgotten your password:
a) Click on Forgot User Details/Password? (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to Terms and Conditions by selecting on the check box.

8. Now, you will have to click on Login button. Now, you will have to click on Login button.

9. After you click on the Login button, Home page of e-Voting will open.
Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?
1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies EVEN in which you are holding shares and whose voting cycle is in active status.
3. Select EVEN of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on Submit and also Confirm when prompted.
6. Upon confirmation, the message Vote cast successfully will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**PROCEDURE FOR E-VOTING DURING THE AGM**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**General Guidelines for Shareholders**

25. Members can cast their vote online from 26th September 2020 (9.00 a.m.) till 29th September 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be disabled.

26. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the Forgot User Details/Password? or Physical User Reset Password? Option available on www.evoting.nsdl.com to reset the password.

27. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

28. The voting rights shall be as per the number of paid up Equity Shares held by the Member(s) as on 23rd September, 2020, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

29. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

30. The details of the voting result along with the Scrutinizer's Report shall be submitted to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited where the Shares of the Company are listed within forty eight hours of conclusion of the AGM and shall also be placed on the Company's website at www.acmeresources.in and on NSDL's website at www.evoting.nsdl.com simultaneously.

31. Closing of the Register of Members / Share Transfer Register, Pursuant to Section 91 of the Companies Act, 2013, read with rules made thereto, for the purpose of ensuing Annual General Meeting of the Company, from Wednesday, September 23, 2020 to Wednesday, September 30, 2020 (both days inclusive).

32. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited of 6, Mangoe Lane, 2nd floor and Kolkata - 700001.

33. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

34. Additional information to be provided under Regulations of the Listing Agreement pertaining to the Directors being appointed/re-appointed. Members are requested to kindly refer Report on Corporate Governance forming part of the Annual Report.

    Members are requested to provide/update their e-mail addresses with their respective Depository Participants (DPs) or send an e-mail at **mdpldc@yahoo.com** to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to Maheshwari Datamatics (P) Limited as mentioned above.

35. The Board of Directors has appointed Mr. Kailash Chandra Dhanuka, Practicing Company Secretary as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

36. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

37. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company and on Depository Participants (DPs) website within two (2) days of passing of the resolutions and would also be communicated to the Kolkata and Bombay Stock Exchange.


***REGISTERED OFFICE***
984, 9th Floor
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Phone: (011) 27026766
Fax: 91-11 47008010
Email: acmeresources@gmail.com
Website: www.acmeresources.in


**By order of the Board**
**For ACME RESOURCES LIMITED**
sd/-
Vineeta Sharma
Company Secretary.

**EXPLANATORY STATEMENT**

**ITEM NO. 4**

**Regularize and Confirm the Appointment of Mr. Hitesh Chopra as Independent Director**

Pursuant to the recommendations of Nomination and Remuneration Committee, at its meeting held on 26th February, 2020 the Board has approved the appointment of Mr. Hitesh Chopra as Independent Director for five Consecutive years with effect from 26th February, 2020 for a term up to 25th February, 2025.

We recommend you the confirm the appointment of Mr. Hitesh Chopra (DIN – 08708186) as an Independent director.

None of the directors of the Company other than those stated above, the key managerial personnel and the relatives of the directors and key managerial personnel, in any way, concerned or interested in the resolution except to the extent of their shareholding / shareholding of their relatives in the Company.

**ITEM NO. 5**

**Regularize and Confirm the Appointment of Mrs. Swati Agrawal as Independent Director and Women Director**

Pursuant to the recommendations of Nomination and Remuneration Committee, at its meeting held on 26th February, 2020 the Board has approved the appointment of Mrs. Swati Agrawal as Independent Director and Women Director for five Consecutive years with effect from 26th February, 2020 for a term up to 25th February, 2025.

We recommend you to confirm the appointment of Mrs. Swati Agrawal (DIN – 06684407) as an Independent director and Women Director.

None of the directors of the Company other than those stated above, the key managerial personnel and the relatives of the directors and key managerial personnel, in any way, concerned or interested in the resolution except to the extent of their shareholding / shareholding of their relatives in the Company.

**ITEM NO. 6**

**Removing other objects and replacing the existing incidental and ancillary object**

Board of Directors of your company consider that in order to tune with the provision of Companies Act, 2013, the other object as specified in clause III (B) of the Memorandum of Association are being considered necessary to be removed by replacing the same under the heading **"Matters which are Necessary for furtherance of the object specified in Clause III(A)"**

In Companies Act, 2013 there is restriction to have other object so in order to comply with the provision of the Companies Act, 2013 it is necessary to remove the other objects as specified in clause III (C) of the Memorandum of Association.

**ITEM NO. 7**

**Replacing the existing Article of Association**

Board of Director of your company consider that in order to tune with provision of Companies Act, 2013 the Article of Association of the Company are being replaced with the new Articles as per Table F in the schedule I to the Companies Act, 2013.

None of the Director is interested except to the extent of their shareholding.

**DIRECTORS' REPORT**

## 1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are given below:

(Amount In lakhs)

| Particulars | Year ended 31.03.2020 (Rs.) | Year ended 31.03.2019 (Rs.) |
|---|---|---|
| **Profit / (Loss) before tax** | (179.75) | (48.17) |
| Provision for Taxation - Current Tax | 135.00 | 71.00 |
| - Deferred tax | (171.36) | (34.36) |
| - Wealth tax | Nil | Nil |
| - Tax paid for earlier years | 133.89 | Nil |
| **Profit / (Loss) After Tax** | (277.28) | (984.81) |
| Transfer to Statutory Reserve Fund | Nil | Nil |
| Balance brought forward from previous year | 3441.39 | 4,426.20 |
| Balance carried to Balance Sheet | (277.28) | (984.81) |

## 2. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of financial year to which these financial statements relate and the date of this Report.

## 3. DIVIDEND

To conserve the resources of the Company for future expansion, the Board has decided not to recommend any dividend for the year under review.

## 4. PERFORMANCE REVIEW

The profit of the company during the current year shows decrease as comparison to previous year. Your Directors are making all efforts to further improve the performance of the company in future.

## 5. CONSOLIDATED FINANCIAL STATEMENTS

The Company has two subsidiary companies, M/s Atul Agro Private Limited and M/s OJAS Suppliers Limited for consolidation purposes. As per the provisions of Regulations of the Listing Agreement, M/s Atul Agro Private Limited was not a material non-listed subsidiary company for the financial year 2019-2020 and hence the provisions of this clause did not apply. OJAS Suppliers Limited was a material non-listed subsidiary company for the financial year 2019-2020 and the provisions of this clause were duly complied with.

Your Directors take pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard. The Auditors' Report to the Shareholders thereupon does not contain any qualification.

- Total Income increased by 47.35 % from Rs. 1124.64 lacs in Financial Year 2018-19 to Rs. 1657.23 lacs in Financial Year 2019-2020.
- Profit/(Loss) Before Tax (PBT) increased by 135.60 % from Rs. (754.77) lacs in Financial Year 2018-19 to Rs. 268.63 lacs in Financial Year 2019-2020.
- Profit/(Loss) After Tax (PAT) increased by 107.76% from Rs. (850.94) lacs in Financial Year 2018-19 to Rs. 66.10 lacs in Financial Year 2019-2020.

## 6. FIXED DEPOSITS

The Company has not accepted any deposits during the year under review and it continues to be a Non-deposit taking Non-Banking Financial Company in conformity the guidelines of the Reserve Bank of India and Companies (Acceptance of Deposits) Rules, 2014.

## 7. DIRECTORS

There has been no change in composition of Directors of the Company

## 8. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors Responsibility statement, it is hereby confirmed:

a) That in the preparation of the accounts for the financial year ended 31st March 2020 the applicable Indian accounting standards (Ind-AS) have been followed along with proper explanations relating to material disclosures;

b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company of the year under review;

c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) That the Directors have prepared the annual accounts for the financial year ended 31st March 2020 on a going concern basis.

e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively.

f) That the proper systems are in place to ensure compliance of all laws applicable to the Company.

## 9. AUDITORS' REPORT

The Auditors' Report is unqualified. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications.

## 10. AUDITORS

M/s T R Chadha & Co LLP, Chartered Accountants., Auditors of the company, retire at the conclusion of the forthcoming Annual General Meeting and proposed to ratify the re-appoint M/s T R Chadha & Co LLP, Chartered Accountants to hold the office as auditors till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of directors of the company. The Company has received a certificate from the statutory auditors to the effect that their appointment; if made, would be within the limit prescribed under section 139 & 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under clause 41 (1) (h) of the Listing Agreement. Members are requested to consider their re-appointment.

## 11. EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-2020, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-2020, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

1. The Company has not paid any remuneration including Sitting fees to Non-executive Directors. Therefore, the ratio to median remuneration is not applicable for Non-executive directors.

| Executive Directors/KMP | Ratio to Median Remuneration | % increase in remuneration in the financial year | Comparison of the Remuneration of the KMP against the performance of the company |
|---|---|---|---|
| Mr. Sharad Saluja – Managing Director | 229.73 | No increase | Loss decreased by 255 % in financial year 2019-20. |
| Mr. Vivek Chaturvedi – Chief Financial Officer | 1.04 | No increase | |
| Mr. Sharad Kumar – Company Secretary | 1.80 | No increase | |
| Ms. Nidhi Bhaskar – Company Secretary | 1.80 | No increase | |
| Ms. Vineeta Sharma – Company Secretary | 1.80 | No increase | |

ii) The percentage increase in the median remuneration of employees in the financial year : No increase

iii) The number of permanent employees on the rolls of company: 7

iv) The explanation on the relationship between average increase in remuneration and company performance. No major increase during the year.

v) The key parameters for the variable component of remuneration availed by the Managing directors is as per the remuneration policy for directors and further approved by Central Government. Key managerial personnel and other employees recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

vi) The particulars of employees required under section 197(12) of the Companies Act, 2013 read with Rules 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not furnished as there is no employee in receipt of remuneration more than the prescribed limit.

The Board of Directors wish to express its appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. The information required under the Companies Act, 2013, and the Rules made there under, is provided as below:

**Details of remuneration paid/payable to Directors and Company secretary for the year ended March 31, 2020:**

**(In Rs.)**

| Name of the Director | Designation | Salary & Perquisites | Total |
|---|---|---|---|
| Mr. Sharad Saluja | Managing Director (till 31.10.2019 | Rs 49,00,000 | Rs 49,00,000 |
| Mr. Vivek Chaturvedi | Managing Director (from 01.11.2019) | Rs. 2,50,000 | Rs. 2,50,000 |
| Mr. Sharad Kumar Singh | Company Secretary | Rs. 60,000 | Rs. 60,000 |
| Ms. Nidhi Bhaskar | Company Secretary | Rs. 93,500 | Rs. 93,500 |
| Ms. Vineeta Sharma | Company Secretary | Rs. 10,000 | Rs. 10,000 |

## 12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

In view of the nature of activities being carried on by the Company under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

## 13. FOREIGN EXCHANGE

The company had no foreign exchange inflow or outflow during the year under review.

## 14. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

## 15. RESERVE BANK OF INDIA REGULATIONS

The Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2020.

## 16. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 the Board of Directors in its meeting held on May 27, 2014 has constituted Corporate Social Responsibility Committee of three directors and a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The object of CSR Policy of the Company is to continue to contribute towards social welfare projects for benefits of society and major focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company is in the process of undertaking projects in the area of education and vocational training of the unprivileged, women and differently–abled. These projects will be in accordance with Schedule VII of the Companies Act, 2013. The details of activities undertaken by the Company is annexed as **Annexure - I.**

## 17. DECLARATION BY INDEPENDENT DIRECTORS

The Board has received the declaration from all the Independent Directors as per the Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in Section 149(6) of the Companies Act, 2013.

## 18. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Nomination Remuneration and Compensation Committee has put in a place the policy on board diversity for appointment of directors taking into consideration qualification and wide experience of the directors in the fields of banking, finance, regulatory, Marketing, administration and legal apart from compliance of legal requirements of the Company. The Company has laid down remuneration criteria for the directors, key managerial personnel and other employees in the Nomination Remuneration and Compensation Committee Policy. The Policy on Board Diversity and Nomination Remuneration and Compensation Committee Policy are given in **Annexure- II and III** to this report and are also uploaded on the Company's Website.

## 19. NUMBER OF MEETINGS OF THE BOARD

During the year Eleven (11) Board Meetings were held. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

## 20. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulations of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## 21. DISCLOSURES AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

**Extract of Annual Return**

The extract of the annual return in the Form MGT 9 is annexed to this report as **Annexure-IV.**

**Particulars of loans, guarantee or investments**

Pursuant to Section 186 (11) (a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantee have not been disclosed in this Report.

During the year under review the Company has invested surplus funds in various securities in the ordinary course of business, the details of the Current Investments and Non-Current Investments of the Company are furnished under notes forming part of the Financial Statements for the year ended March 31, 2020.

**Particulars of Contracts or Arrangements with Related Parties**

The Related Party Transactions (RPTs) were entered in ordinary course of business on an arm's length basis and were in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The statement of RPTs is placed before the Audit Committee and the Board on a quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company. The details of the transactions with Related Party are provided in the note 30 of the Financial Statements forming part of this Annual Report and the particulars of RPTs in Form AOC-2 is annexed to this report as **Annexure-V.**

**Whistle Blower Policy/Vigil Mechanism**

The Company has framed a Whistle Blower Policy/Vigil Mechanism providing a mechanism under which an employee/ director of the Company may report violation of personnel policies of the Company, unethical behaviour, suspected or actual fraud, violation of code of conduct. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behavior. This mechanism provides safeguards against victimisation of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy has been appropriately communicated to the employees within the organisation and has also been hosted on the Company's website. During FY 2020, no employee has been denied access to the Audit Committee under this policy.

**Financial summary/highlights**

The details are spread over in the Annual Report as well as are provided in the beginning of this report.

**Directors and Key Managerial Personnel**

- Directors – Mr. Sharad Saluja-Managing Director, Mr. Balbinder Singh (Independent Director) and Ms. Neeti Agarwal (Independent Director) resigned during the year. Mr. Vivek Chaturvedi (Managing Director), Mr. Hitesh Chopra (Independent Director) and Ms. Swati Agarwal (Women Independent Director) appointed as an director during the year.

- Key Managerial Personnel – Mr. Sharad Saluja (Managing Director) has resigned during the year and in replace of him Mr. Vivek Chaturvedi has been appointed as an Managing Director. Further, Mr. Vivek Chaturvedi was working as an CFO and in replace of him, Mr. Kailash Jha was appointed as an CFO.

**Subsidiaries or Associate Companies**

There is no changes in Subsidiaries and Associate companies.

**Significant and Material Orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**Internal Financial Controls**

The details in respect of adequacy of internal financial controls with reference to the Financial Statements – The Company's well-defined organisational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

**22. SECRETARIAL AUDIT**

The Board had appointed Mr. Vikas Gera, Practicing Company Secretary (Certificate of Practice No. 4500) (Membership No. FCS 5248) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-20. The Secretarial Audit Report is annexed to this report as **Annexure-VI.** The report does not contain any qualification.

**23. ANNEXURES**

Following Reports are attached to this Report pursuant to the provisions of the Listing Agreement with the Stock Exchange:

(i) The Report on Corporate Governance as per Regulations of the Listing agreement forms part of the Annual Report, and is annexed herewith together with Auditors' Certificate on Corporate Governance, the certificate, duly signed by the Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2020 as submitted to the Board of Directors at their meeting held on June 29, 2020 and the declaration by the Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct.

(ii) The Management Discussion & Analysis Report as per Regulations of the Listing agreement is given as a separate Report forming part of the Annual Report.

**24. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has constituted Internal Committees (IC).

**25. ACKNOWLEDGEMENTS**

The Board of Directors would like to thank Reserve Bank of India and other Regulatory/ Government authorities and Stock Exchanges for their support and stakeholders for their continued co-operation and support.

*REGISTERED OFFICE*
984, 9th Floor, Aggarwal Cyber Plaza-II
Netaji Subhash Place
Pitampura, New Delhi-110034
Phone: (011) 27026766
Fax: 91-11 700-8010
Email: acmeresources@gmail.com
Website: www.acmeresources.in

**On behalf of the Board of Directors**
**For ACME RESOURCES LIMITED**

| sd/- | sd/- |
|---|---|
| Kuldeep Saluja | Vivek Chaturvedi |
| Director | Managing Director |
| DIN-00289187 | DIN-08027097 |

**Annexure- I**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken are given in CSR policy are as below:

2. The Company's CSR policy is based on the firm belief that there can be nothing better than enriching the human capital of the society which can provide a sustainable socio-economic impact. Towards that end the Company's CSR initiative has been directed to provide to the most economically and social challenged people, particularly women and the differently–abled, an easy access to better education and vocational training.

3. The Composition of the CSR Committee:
   i. Mr. Hitesh Chopra - Chairperson
   ii. Mr. Kuldeep Saluja - Member
   iii. Ms. Swati Agarwal - Member

4. Average net profit of the Company for last three financial years: Rs 221.22 lacs

5. Prescribed CSR Expenditure: Rs 4.42 lacs

6. Details of CSR spend for the financial year:
   a) Total amount spent for the financial year: Rs. Nil. (Payment made to Rajiv Gandhi Education society for Delhi public school in Gwalior)
   b) Amount unspent: Rs 15.59 lacs.

Place : New Delhi
Date : 29th June, 2020

sd/-
Mr. Vivek Chaturvedi
Managing Director
DIN-08027097

sd/-
Mr. Hitesh Chopra
Chairperson, CSR Committee
DIN 08708186

**Annexure-II**

**POLICY ON BOARD DIVERSITY**

**1. Purpose**

In accordance with the Regulations of Listing Agreement as amended, the Company has framed a formal policy on Board diversity which sets out a framework to promote diversity on Company's Board of directors (the 'Board').

**2. Vision**

The Company recognizes the importance and benefits of having diverse Board to enhance quality of its performance.

**3. Policy Statement**

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development. For appointments of persons to office of directors and deciding composition of the Board, the Nomination Remuneration and Compensation Committee (NRC Committee) and the Board shall also have due regard to this policy on Board diversity. In this process the NRC Committee / Board will take into consideration qualification and wide experience of the directors in the fields of finance, regulatory, administration, legal, commercial, marketing apart from compliance of legal and contractual requirements of the Company.

The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company. The Board of directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman director and the composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Agreement and the statutory, regulatory and contractual obligations of the Company.

**4. Review of Policy**

The NRC Committee will review the policy from time to time and make recommendations on any required changes to Board for consideration and approval.

**5. Disclosure of the Policy**

This policy will be posted on the Company's website. The necessary disclosure about the policy will also be made as per requirements of the Listing Agreement and the Companies Act, 2013.

**Annexure-III**

**NOMINATION REMUNERATION AND COMPENSATION COMMITTEE POLICY**
**Composition of the Nomination Remuneration and Compensation Committee (NRC Committee)**

The NRC Committee of the Company shall be formed by the Board of Directors of the Company out of its Board members. The NRC Committee shall consist of minimum three non-executive directors out of which two shall be independent directors. The chairperson of the company may be appointed as a member of the NRC Committee but shall not chair the NRC Committee. The Chairman of the NRC Committee shall be an independent director. No member of the NRC Committee shall have a relationship that may interfere with his independence from management and the Company or with the exercise of his duties as an NRC committee member.

The NRC Committee may invite such of the executives of the Company, as it considers appropriate (and particularly the Managing Director) to be present at the meetings of the NRC committee, but on occasions it may also meet without the presence of any executives of the company.

The Company Secretary shall act as the secretary to the NRC Committee.

**Explanation:**
An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director -
(a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
(c) who has or had no pecuniary relationship with the 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;
(d) none of whose relatives has 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 lacs 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;
(e) who, 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 non-profit organisation 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
(f) who possesses such other qualifications as may be prescribed.

**Meetings of NRC Committee**
The NRC Committee shall meet at least two times in a year and not more than six months shall elapse between two meetings. The quorum for any meeting of the NRC Committee shall be either two members or one third of the members of the NRC Committee present whichever is greater, (any fraction rounded off to the next whole number) but there shall be a minimum of two independent members present. All matters will be determined by a majority vote of the members present.

The NRC Committee may adopt procedural rules for its meetings and the conduct of its business, not inconsistent with this policy, the Company's Articles of Association, or applicable laws. The NRC Committee is governed by the same rules regarding meetings (including meetings by telephonic conference or similar communication equipments), action without meetings, notice, waiver of notice, and voting requirements as are applicable to the Board. Adequate provision will be made for notice to members of all meetings.

The NRC Committee agenda is developed by the Chairman of the NRC Committee and the Managing Director with input from appropriate members of management and staff.

The NRC Committee may meet periodically with senior management personnel in separate executive sessions. When present, the Chairman of the NRC Committee shall preside over the NRC Committee meetings. In his absence, NRC Committee members present may appoint a chairman from among themselves. The Chairman of the NRC Committee shall report to the Board on NRC Committee meetings and actions, and the Company Secretary shall keep minutes of all NRC Committee meetings, which are distributed to NRC Committee members for review and approval.

The chairperson of the NRC committees or, in his absence, any other member of the NRC committee authorised by him in this behalf shall attend the general meetings of the company, to answer the shareholder queries.

The NRC Committee shall evaluate its performance annually and discuss the outcome of the evaluation with the full Board.

**Powers of the NRC Committee**

The NRC Committee shall have powers, which include the following:

**1.** To examine any activity within its terms of reference.
**2.** To seek information from any employee.
**3.** To obtain outside legal or other professional advice.
**4.** To secure attendance of outsiders with relevant expertise, if it considers necessary.
**5.** Any other matter as may be assigned by the Board of Directors from time to time.

The NRC Committee shall have the resources and authority necessary to discharge its duties and responsibilities. The NRC Committee shall have authority to appoint and terminate outside counsel or other experts or consultants as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. The NRC Committee may for this purpose utilise the office of the Company Secretary to appoint and inter act with such outside counsel or other experts or consultants. The Company will provide the NRC Committee with appropriate funding, as the NRC Committee determines, for the payment of compensation to the Company's outside counsel and other advisors as it deems appropriate and administrative expenses of the NRC Committee that are necessary or appropriate in carrying out its duties. In discharging its responsibilities, the NRC Committee is empowered to examine any matter relating to compensation and remuneration which are brought to its attention. The NRC Committee will have access to the Company's books, records, facilities, and personnel. Any communications between the NRC Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the NRC Committee will take all necessary steps to preserve the privileged nature of those communications.

**Role of the NRC Committee**

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees after ensuring that-
    - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
    - relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
    - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
3. Devising a policy on Board diversity.

**Remuneration of Managing Director:**

The NRC Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration package for Managing Director including pension rights and any compensation payment. The following shall be the principal recurring processes of the NRC Committee in carrying out its responsibilities relating to Managing Director's Compensation. The processes are set forth as a guideline with the understanding that the NRC Committee may supplement them as appropriate.

1. Provide independent oversight of and consult with Company management regarding the Company's compensation, bonus, pension and other benefit plans, policies and practices applicable to the Company.
2. Develop guidelines for and annually review and approve (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount, and (c) equity compensation for the Managing Director.
3. Review and approve (a) employment agreements, severance arrangements, and change in control agreements / provisions and (b) any other benefits, compensation or arrangements for the Managing Director.
4. Prepare an annual report regarding Managing Director's compensation for inclusion in the Company's financial statements as required under any Applicable Rules.
5. In consultation with outside consultants, evaluate and recommend the form and amount of compensation to the director and make recommendations to the Board.

**Remuneration of Independent Directors:**

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Remuneration will be paid to Non-Executive Independent Directors of the company as adviced by the committee and Board as per Companies Act' 2013.

**General Responsibilities:**

1. Report to the Board on matters discussed at each NRC Committee meeting.
2. Examine any matter brought to its attention within the scope of its duties.
3. Annually evaluate its own performance.
4. Review compensation related disclosures to be filed or submitted by the Company pursuant to Applicable Rules. For the purpose of this Policy, "Applicable Rules" means applicable laws, regulations, rules, policy statements or guidelines or notifications, of or issued by any Government/Quasi Government Authorities including the Securities and Exchange Board of India and the Stock Exchanges.
5. The NRC Committee shall review and reassess the adequacy of this Policy annually and recommend any proposed changes to the Board for approval.
6. Perform other functions as requested by the Board.

**Changes in the Governing Laws:**

Any changes in the Governing laws such as the Listing agreements, Companies Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the other Laws and the Rules, Notifications and Guidelines, if any, issued/framed thereunder and applicable to the Company which has an effect of enlarging the scope of the role of the NRC Committee shall automatically be deemed to enlarge the role of the NRC Committee provided herein above.

**Annexure-IV**

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]*

**1. REGISTRATION AND OTHER DETAILS**

a. CIN No. : - L65993DL1985PLC314861

b. Registration Date: - 22.01.1985

c. Name of the Company: - Acme Resources Limited

d. Category/Sub-Category of the Company: - Non-Banking Financial Company

e. Address of the Registered office and contact details: - 984, 9th Floor, Aggarwal Cyber Plaza – II, Netaji Subhash Place, Pitampura, New Delhi – 110034 Phone: (011) 27026766 Fax: 91-11 47008010 Email: acmeresources@gmail.com Website: www.acmeresources.in

f. Whether listed company: - YES, in Calcutta Stock Exchange and Bombay Stock Exchange.

g. Name, Address and Contact details of Registrar and Transfer Agent, if any: - Maheshwari Datamatics Private Limited. 6, Mangoe Lane, 2nd floor Kolkata - 700001

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company are as below:

Loans given to Corporates : - 69.20 % and Sale of Property :- 30.80 %

NIC Code of the Product/Services : - 99711

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

The Company has two subsidiaries in the consolidated financial statements. Acme Resources Limited share in the voting power of these companies as at March 31, 2020 is as follows:

| Sr. No. | Name of the Company | CIN No. | Country of Incorporation | Proportion of Ownership interest (%) | Holding/ Subsidiary/ Associates | Applicable Section |
|---|---|---|---|---|---|---|
| 1 | Atul Agro Pvt. Ltd. | U74899DL1990PTC039889 | India | 98.01 | Subsidiary | 2 (46) |
| 2 | Ojas Suppliers Limited | U51909DL1995PLC276907 | India | 99.99 | Subsidiary | 2 (46) |

**4. SHAREHOLDING PATTERN**

**(EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**

Scrip Code: 029964 Name of the Scrip : [CSE] Class of Security : Equity Face Value : Rs. 10/-

(a) Statement showing Shareholding Pattern

Year ended: 31/03/2020

| Category of Shareholder | No. of shares held at the beginning of the year (as on 01/04/2019) | | | | No. of shares held at the end of the year (as on 31/03/2020) | | | | % Change during the year (01/04/2018 to 31/03/2020) |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter and Promoter Group** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a. Individual/ HUF | 193865 | - | 193865 | .7530 | 193865 | - | 193865 | .7530 | - |
| b. Central Government | - | - | - | - | - | - | - | - | - |
| c. State Government | - | - | - | - | - | - | - | - | - |
| d. Bodies Corporate | 18710428 | - | 18710428 | 72.67 | 18710428 | - | 18710428 | 72.67 | - |
| e. Banks / FII | - | - | - | - | - | - | - | - | - |
| f. Any other (Specify) | - | - | - | - | - | - | - | - | - |
| **Sub Total A (1)** | **18904293** | **-** | **18904293** | **73.43** | **18904293** | **-** | **18904293** | **73.43** | **-** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(2) Foreign** | | | | | | | | | |
| **a.** NRI – Individuals | - | - | - | - | - | - | - | - | - |
| **b.** Others – Individuals | - | - | - | - | - | - | - | - | - |
| **c.** Bodies – Corporates | - | - | - | - | - | - | - | - | - |
| **d.** Banks / FII | - | - | - | - | - | - | - | - | - |
| **e.** Any other (Specify) | - | - | - | - | - | - | - | - | - |
| Sub Total A (2) | - | - | - | - | - | - | - | - | - |
| **Total shareholding of Promoter and Promotor group (A)= (A)(1)+(A)(2)** | **18904293** | **-** | **18904293** | **73.43** | **18904293** | **-** | **18904293** | **73.43** | **-** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a. Mutual Funds (includes UTI) | - | - | - | - | - | - | - | - | - |
| b. Financial Institutions / Banks | - | - | - | - | 3925 | - | 3925 | 0.0152 | 0.0152 |
| c. Central Government | - | - | - | - | - | - | - | - | - |
| d. State Government | - | - | - | - | - | - | - | - | - |
| e. Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f. Insurance Companies | - | - | - | - | - | - | - | - | - |
| g. FIIs | - | - | - | - | - | - | - | - | - |
| h. Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| i. Any other (Specify) - Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| **Sub Total B (1)** | - | - | - | - | 3925 | - | 3925 | 0.0152- | 0.0152 |
| **(2) Non-institutions** | | | | | | | | | |
| a. Bodies Corporates | | | | | | | | | |
| (i) Indian | 4099388 | 66517 | 4165905 | 16.182 | 4089516 | 66517 | 4156033 | 16.1437 | 0.0383 |
| (ii) Overseas | - | - | - | - | - | - | - | - | - |
| b. Individuals | | | | | | | | | |
| (i) Individual Shareholders holding Nominal Share Capital upto Rs.2 Lakh | 895958 | 1078850 | 1974808 | 7.67 | 904436 | 1078850 | 1983586 | 7.7050 | 0.035 |
| (ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.2 Lakh | 176163 | 519000 | 695163 | 2.70 | 176163 | 519000 | 695163 | 2.7003 | - |
| c. Any other – Clearing Members | **2831** | **-** | **2831** | **.0110** | **-** | **-** | - | **-** | **0.110** |
| - Trusts | - | - | - | - | - | - | - | - | - |
| - NRI | 1000 | - | - | .0039 | 1000 | - | 1000 | .0039 | - |
| - Limited Liability Partnership | - | - | - | - | - | - | - | - | - |
| Sub Total B (2) | 5175340 | 1664367 | 6839707 | 26.568 | 5175340 | 1664367 | 6839707 | 26.568 | Nil |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 5175340 | 1664367 | 6839707 | 26.568 | 5175340 | 1664367 | 6839707 | 26.568 | **Nil** |
| **C. Shares held by Custodians for GDRs and ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A) + (B) + ( C)** | **24079633** | **1664367** | **25744000** | **100** | **24079633** | **1664367** | **25744000** | **100** | **Nil** |

b. Shareholding of Promoters :-

| Shareholders Name | No. of shares held at the end of the year (as on 31/03/2020) | | | | No. of shares held at the end of the year (as on 31/03/2019) | | | | % Change during the year (01/04/2019 to 31/03/2020) |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total Shares | |
| Kuldeep Saluja | 193865 | - | 193865 | .7530 | 193865 | - | 193865 | .7530 | Nil |
| Narayani Dealers Private Limited | 11552128 | - | 11552128 | 44.87 | 11552128 | - | 11552128 | 44.87 | Nil |
| Bluemoon Dealcom Private Limited | 3756000 | - | 3756000 | 14.58 | 3756000 | - | 3756000 | 14.58 | Nil |
| Merit Dealers Private Limited | 3402300 | - | 3402300 | 13.21 | 3402300 | - | 3402300 | 13.21 | Nil |
| **Total** | **18904293** | **-** | **18904293** | **73.43** | **18904293** | **-** | **18904293** | **73.43** | Nil |

c. Change in Promoters' Shareholding: - There is no change in the promoter shareholding from 1st April 2019 to 31st March 2020.

d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :-

| Shareholders Name | No. of shares held at the beginning of the year (as on 01/04/2019) | | No. of shares held at the end of the year (as on 31/03/2020) | | % Change during the year (01/04/2019 to 31/03/2020) |
|---|---|---|---|---|---|
| | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares | |
| Salvo Dealcomm Private Limited | 3750000 | 14.5665 | 3750000 | 14.5665 | Nil |
| Leela Devi Bagricha | 250000 | 0.9711 | 250000 | 0.9711 | Nil |
| Chandra Bagricha | 195000 | 0.7575 | 195000 | 0.7575 | Nil |
| Parul A Shah | 95000 | 0.3690 | 95000 | 0.3690 | Nil |
| Agrawal Brokerage Private Limited | 93000 | 0.3612 | 93000 | 0.3612 | Nil |
| Rajendra Prasad Shah | 87735 | 0.3408 | 87735 | 0.3408 | Nil |
| Pradeep Jaiswal | 74000 | 0.2874 | 74000 | 0.2874 | Nil |
| Erricone Trading Private Limited | 50000 | 0.1942 | 50000 | 0.1942 | Nil |
| Sushila Devi Bartajaya | 45000 | 0.1748 | 45000 | 0.1748 | Nil |
| Jajoo Sales Private Limited | 41000 | 0.1593 | 41000 | 0.1593 | Nil |

e Shareholding of Directors and Key Managerial Personnel :-

| Shareholders Name | No. of shares held at the beginning of the year (as on 01/04/2019) | | | | No. of shares held at the end of the year (as on 31/03/2020) | | | | % Change during the year (01/04/2019 to 31/03/2020) |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total Shares | |
| **Directors:-** | | | | | | | | | |
| Kuldeep Saluja | 193865 | - | 193865 | .7530 | 193865 | - | 193865 | .7530 | Nil |
| **Vivek Chaturvedi (Managing Director)** | 1278 | - | 1278 | .0050 | 1278 | - | 1278 | .0050 | Nil |
| **Total** | **195143** | **-** | **195143** | **.758** | **195143** | **-** | **195143** | **.758** | Nil |

**5. INDEBTEDNESS**

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

**(In Lacs.)**

| Particulars | Secured Loans | Unsecured Loans | Deposits | Total Indebtness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | Nil | 3,267.90 | Nil | 3,267.91 |
| ii) Interest due but not paid (unclaimed) | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | 68.84 | Nil | 68.84 |
| **Total (i+ii+iii)** | **Nil** | **3,336.74** | **Nil** | **3,336.75** |
| Change in Indebtedness during the financial year | | | | |
| • Addition* | - | 768.60 | Nil | 768.60 |
| • Reduction* | - | 290.75 | Nil | 290.75 |
| Net Change | - | 477.85 | Nil | 477.85 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | Nil | 3,745.75 | Nil | 3,745.75 |
| ii) Interest due but not paid (unclaimed) | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | 284.57 | Nil | 284.57 |
| **Total (i+ii+iii)** | **Nil** | **4,030.32** | **Nil** | **4,030.32** |

*includes interest amount.

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

a. Remuneration to Managing Director, Whole-time Directors and/or Manager: - Mr. Sharad Saluja, Managing Director was paid salary of Rs. 49,00,000 (Rupees Fourty nine lakhs only) during the Financial Year and Rs. 2,50,000 was paid to Mr. Vivek Chaturvedi.

b. Remuneration to Other Directors: Nil

c. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:-

Chief Financial Officer :- Rs. 5,42,000 for the year
Company Secretary :- Rs. 1,63,500 for the year

**7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :- Nil**

Place : New Delhi
Date : 29th June 2020

sd/-
Vivek Chaturvedi
Managing Director
DIN-08027097

**Annexure-V**

**FORM NO. 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**

**1.** Details of contracts or arrangements or transactions not at arm's length basis - There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020 which were not at arm's length basis.

(a) Name(s) of the related party and nature of relationship – N.A.
(b) Nature of contracts/arrangements/transactions – N.A.
(c) Duration of the contracts / arrangements/transactions – N.A.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any – N.A.
(e) Justification for entering into such contracts or arrangements or transactions – N.A.
(f) Date(s) of approval by the Board – N.A.
(g) Amount paid as advances, if any: – N.A.
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – N.A.

**2.** Details of Material contracts or arrangement or transactions at arm's length basis :-

| Sr. No. | Name of the Related Party | Relation | Salient terms of the contracts or arrangements or transactions including the value, if any |
|---|---|---|---|
| 1. | Ojas Suppliers Limited | Subsidiary Companies | *Loan agreements |
| 2. | KRSKA Capital Pvt. Ltd. (Previously known as Rajindra Hire Purchase & Leasing Co. Pvt. Ltd.) | Under Control of Key Managerial Personnel and relatives | *Loan agreements |

*The Company is in the business of NBFC and all Loans given and taken were made in the ordinary course of business.

Place : New Delhi
Date : 29th June, 2020

sd/-
Vivek Chaturvedi
Managing Director
DIN-08027097

**Annexure-VI**

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
For the Financial Year Ended 31st March, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members
ACME Resources Limited
984, 9th Floor, Aggarwal Cyber Plaza-II
Netaji Subhash Place, Pitampura
New Delhi-110034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by " Acme Resources Limited" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by " Acme Resources Limited" 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 Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) 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;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

i) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

V. Reserve Bank of India Act, 1934

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and Calcutta Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. As per Section 135 of the Companies Act 2013, the Company is required to spend in every financial year at least two per cent of the average net profits of the company made during the three immediately preceding financial years on corporate social responsibility (CSR) activities. Accordingly, the company was required to spend Rs 15.59 lacs (including Rs 11.17 lacs till 2018-19) during the current financial year. The Company is in the process of undertaking projects related to CSR. The CSR committee has been examining and evaluating suitable projects for deployment of funds. During the current year, the company has contributed the following sums towards CSR initiatives.

| Amount Spend During the Year | Total Spent in 19-20 (In Rs.) | Total Spent in 18-19 (In Rs.) |
|---|---|---|
| Education related expenses | 0 | 50,00,000 |

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period.

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

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

**I further report that:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that:**

The Bombay Stock Exchange has taken the action for the Non-Compliance with the provision of Regulation 17(1) of SEBI (LODR) Regulation, 2015 and Fine imposed Rs. 3,59,900/- vide letter No LIST/COMP/Reg. 27(2) & Reg. 17 to 21/Dec-19/539391/283/2019-20 dated 03rd February, 2020 and the company has submitted necessary reply in this regard.

**I further report that:**

There is no non-compliance/observation/audit qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit period.

Date: 29th June, 2020
Place: New Delhi
UDIN: F005248B000394890

For Vikas Gera & Associates
Sd/-
Vikas Gera
Practicing Company Secretary
FCS No. 5248
C P No.: 4500

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

To *'Annexure A'*

The Members
Acme Resources Limited
984, 9th Floor, Aggarwal Cyber Plaza-II
Netaji Subhash Place, Pitampura
New Delhi-110034

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as the same have been subject to review by the Statutory Financial Auditor and any other designated professional.

4. The Compliances done by the company of the applicable Financial Laws like Direct and Indirect Tax Laws have not been reviewed by us as the same have been subject to review by the Statutory Financial Auditor and any other designated professional.

5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi
Date: 29th June, 2020

For Vikas Gera & Associates

Sd/-
Vikas Gera
Practicing Company Secretary
FCS No. 5248
C P No.: 4500

## REPORT ON CORPORATE GOVERNANCE

The Directors present the company's report on Corporate Governance:

### 1. CORPORATE GOVERNANCE

Fair, ethical and transparent governance practices instituted by the Company shape the Company's Corporate Governance Philosophy.

Effective Corporate Governance is how an organisation is managed, which includes its culture, structure, policies and the manner in which it deals with its stakeholders and not just mere compliance. It also relates to processes and systems that direct the resources of the organization and strategies of the management for maximizing the wealth of the stakeholders. Your company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness.

Your company makes best endeavours to implement these core values in all facets of its operations. The company continues to follow procedures and practices in conformity with the Code of Corporate Governance given in the Listing Agreement.

### 2. BOARD OF DIRECTORS

**(a)Composition of the Board**

The Company has a broad-based Board of Directors, constituted in compliance with the relevant guidelines issued by Reserve Bank of India, Companies Act, Listing Agreement and in accordance with the best practices in Corporate Governance. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board.

The Composition of the Board of Directors of the Company consists of qualified executive and non-executive directors. The Board is broad based and comprises of persons who have excelled in their respective areas having good standing.

As mandated by Regulations 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulation) as of March 31, 2020, none of the independent directors of the company served as an independent director in more than seven listed entities and as per Regulation 26 of SEBI Regulation none of Directors is a member of more than ten committees or acting as Chairperson of more than five committees of the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The Agenda setting out the business to be transacted at the meeting along with the explanatory notes are sent to the directors seven days before the Board Meeting date. In some instances, documents are tabled at the meetings and the presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings.

The composition of the Board of Directors as on 31.03.2020 was as follows:

| Sr. No. | Name of Director | Executive/ Non-Executive | No. of other | | |
|---|---|---|---|---|---|
| | | | Directorships | Committee | |
| | | | | Chairman | Member |
| 1. | Mr. Kuldeep Saluja | Non-Executive/ Non-Independent | 3 | ---- | ---- |
| 2. | Vivek Chaturvedi | Managing Director | 3 | ---- | ---- |
| 3. | Hitesh Chopra | Non-Executive/ Independent | 3 | ---- | ---- |
| 4. | Swati Agarwal | Woman Director/ Non-Executive/ Independent | 3 | ---- | ---- |

**Notes :-**

1) Excluding Directorship held in Private Limited / Foreign Companies.

(b) Details of sitting fees, remuneration etc. paid to Director

Mr. Sharad Saluja, Managing Director was paid salary of Rs. 49,00,000 (Rupees Forty-Nine lacs only) during the Financial Year. No sitting fee was paid to any director during the year.

(c) Board Meetings held in the Financial Year 2019-2020 and attendance of Directors.

The Board meets at least once in a quarter to consider, amongst other business, the quarterly performance of the company and financial results. During the year under review, 11 (Eleven) Board Meetings were held on 2nd April 2019, 29th May 2019, 3rd July 2019, 31st July 2019, 13th August 2019, 3rd Sept.2019, 30th September 2019, 4th November 2019, 12th November 2019, 23rd December 2019, 4th Feb 2020, 26th Feb 2020, 11th March 2020.

Attendance of each director at the Board of Director meetings and the last Annual General Meeting:

| Directors | No. of Meetings | | Attendance at last AGM- held on 30th Septemeber'19 |
|---|---|---|---|
| | HELD | ATTENDED | |
| Mr. Sharad Saluja **(Resign on 26th Feb 2020)** | 13 | 11 | Yes |
| Mr. Kuldeep Saluja | 13 | 12 | Yes |
| Mr. Balbinder Singh **(Resign on 26th Feb 2020)** | 13 | 11 | Yes |
| Mrs. Neeti Agrawal **(Resign on 26th Feb 2020)** | 13 | 11 | Yes |
| Mr. Vivek Chaturvedi **(Appointed as MD on 01st November 2019)** | 13 | 13 | NA |
| Ms. Swati Agarwal **(Appoint as on 26th Feb 2020)** | 13 | 02 | NA |
| Mr, Hitesh Chopra **(Appoint as on 26th Feb 2020)** | 13 | 02 | NA |

**(d) Information given to the Board:**

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Inter corporate Loans & Deposits
- Quarterly, Half yearly and annual results of the Company and its subsidiaries
- Detailed presentations on the business performance of the Company and its material subsidiaries
- Minutes of meetings of the Audit Committee and other Committees
- Statutory payment and related party transaction
- Internal Audit Report
- Subsidiary companies minutes, financial statements and significant investments

**3. COMMITTEES OF DIRECTORS**

In accordance with requirement of the Listing Agreement with Stock Exchanges on Corporate Governance, following 6 committees were operational during the year:

(a) Audit Committee
(b) Stakeholders Relationship Committee
(c) Nomination & Remuneration Committee
(d) Asset Liability Management Committee
(e) Corporate Social Responsibility committee
(f) Risk Management Committee

(a) Audit Committee

The Present Audit Committee of the Board of Directors fulfils the requirements of the Companies Act, 2013 as well as the Listing Agreement. The Audit Committee of the Company consists of 3 directors. During the Financial Year 2019-2020 the Audit Committee met 4 times on 29th May 2019, 13th August 2019, 12th November 2019, 4th Feb 2020.

The composition of the Audit Committee and the attendance of each director at this meeting are as follows:

| S. No. | Members of Audit Committee | No. of meetings attended |
|---|---|---|
| 1 | Mr. Balbinder Singh - Chairman-Independent | 4 |
| 2 | Ms. Neeti Agrawal - Independent | 4 |
| 3 | Mr. Kuldeep Saluja-Non-Executive-Non-Independent | 4 |
| 4 | Mr. Hitesh Chopra - Chairman-Independent **(appointed as on 26 Feb 2020)** | - |
| 5 | Ms. Swati Agarwal - Independent **(appointed as on 26 Feb 2020)** | - |

**Terms of reference**

The terms of reference of the Audit Committee, inter alia includes:

- Overseeing the financial reporting process.
- To ensure proper disclosure in the quarterly, half yearly and Annual Financial Statements.
- To recommend appointment, re-appointment of auditors and the fixing of their remuneration. Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the Financial Statements before submission to the Board.
- Reviewing, with the management, performance of statutory and Internal auditors, adequacies of the internal control systems.
- Reviewing the adequacy of internal audit function including the reporting structure, coverage and frequency of internal audit.
- Reviewing, with the management, the statement of uses / application of funds raise through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Discussing with Internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal examinations by the Internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To discuss with the management, the senior internal audit executives and the statutory auditor/s the Company's major risk exposures and guidelines and policies to govern the processes by which risk assessment and risk management is undertaken by the Company, including discussing the Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures and from time to time conferring with another Committee/s of the Board about risk exposures and policies within the scope of such other Committee's oversight.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment declared dividends) and creditors, if any. To review the functioning of the Whistle Blower Mechanism. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. To review the financial Statements, in particular, the investments made in unlisted subsidiary companies.

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Managing Director and the Chief Financial Officer and the Head of Accounts Department of the Company attend and participate in the meetings of the Audit Committee.

**Performance Evaluation**

The Board has carried out the annual performance evaluation of its own performance, the Directors individually (including the Independent Directors) as well as the evaluation of the working of its Committees. The exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and its committees, Number of Committees and their roles, Frequency of meetings, Level of participation, independence of judgement, performance of their duties and obligations and implementation of good Corporate Governance practices.

The Board expressed its satisfaction of the performance of all the Directors, Board and its committees which reflected the overall engagement of the Board and its Committees with the Company. A separate meeting of the Independent Directors of the Company was held to evaluate the performance of Non-Independent Directors and the Board as a whole and performance of Chairperson, who were evaluated on parameters such as attendance, level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders.

The Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, individual Non-Independent Board members, Independent Directors and the Chairman. They also expressed satisfaction with the quality, quantity and timeliness of flow of information between the company management and the Board.

**Familiarization Programme**

The Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the company and its subsidiaries. In addition, the Company also undertakes various measures to update the Independent Directors about the ongoing events and developments relating to the Company.

Familiarization Programmes were conducted and attended by the Independent Directors of the company. The details of Familiarization Programmes is also uploaded on the Company's website.

**Separate meetings of the Independent Directors**

During the year under review, the Independent Directors met on February 4, 2020, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

**b) Share Transfer and Investors' Grievance Committee**

The Company has set up its Shareholders' / Investors' Grievance Committee in 2001.
The Committee deals with the various matters relating to:

- Transfer / transmission of shares / debentures,
- Issue of duplicate share certificate,
- Review of shares dematerialised of investors' grievances,
- All other matters related to shares/ debentures.
- Secretarial audits

During the Financial Year 2019 – 2020 the Share Transfer and Investors' Grievance Committee met 4 (four) times on 29th May 2019, 13th August 2019, 12th November 2019, 4th Feb 2020. During the year under review all the Share Transfers were in electronic mode.

The composition of the Committee as at 31st March, 2020 is as under:

| S. No. | Members of Share Transfer and Investors Grievances Committee |
|---|---|
| 1 | Mr. Hitesh Chopra – Chairman |
| 2 | Mr. Kuldeep Saluja |
| 3 | Ms. Swati Agarwal |

As required by the Listing agreement with the Stock Exchanges, Sri Sharad Kumar, Company Secretary, has been designated as 'Compliance Officer' to monitor the shares transfer process

The status of investors' queries/complaints/grievances received during the year is as under:

| No. Of Investors queries/complaints received during the year ended 31st March, 2020 | Pending at the end of the year | No. Of pending share transfers |
|---|---|---|
| NIL | NIL | NIL |

**c) Remuneration and Nomination Committee:**

The Company is paying remuneration to only one Managing Director, whose appointment and remuneration has been fixed by the Board and in terms of resolution passed by the members and further approved by the AGM/Central Government.

The composition of the Remuneration Committee is as follows: -

| S. No. | Members of Remuneration Committee |
|---|---|
| 1 | Ms. Neeti Agrawal- Chairman |
| 2 | Mr. Balbinder Singh |
| 3 | Mr. Kuldeep Saluja |
| 4 | Mr. Hitesh Chopra **(appointed as on 26 Feb 2020)** |
| 5 | Ms. Swati Agarwal **(appointed as on 26 Feb 2020)** |

**d) Asset Liability Management Committee: Terms of reference**

The Committee is responsible for assisting the Board of Directors in Balance Sheet planning from risk-return perspective including the strategic management of interest and liquidity risk. Its function includes –

- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analysing future business environment and preparation of contingency plans.

During the year under review, the Committee met four times on 29th May 2019, 13th August 2020, 12th November 2020, 4th Feb 2020

**e) Corporate Social Responsibility Committee:**

Pursuant to Section 135 of the Companies Act, 2013 the Board of Directors in its meeting held on May 29, 2019 has constituted Corporate Social Responsibility Committee of three directors and a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The object of CSR Policy of the Company is to continue to contribute towards social welfare projects for benefits of society and major focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

As per Section 135 of the Companies Act, 2013, the company is required to spend in every financial year at least two per cent of the average net profits of the company made during the three immediately preceding financial years on corporate social responsibility (CSR) activities. Accordingly, the company was required to spend 15.59 lacs (including Rs. 11.17 lacs till 2018-19) during the current financial year and spent Rs. Nil. The Company is in the process of undertaking projects related to CSR. The CSR Committee has been examining and evaluating suitable projects for deployment of funds. As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company are in the process of undertaking projects in the area of education and vocational training of the unprivileged, women and differently–abled. These projects will be in accordance with Schedule VII of the Companies Act, 2013

**f) Risk Management Committee**

Pursuant to Regulations of the Listing Agreement as amended majority of the Committee shall consist of members of Board of Directors. Accordingly, the Company has reconstituted its Risk Management Committee.

The terms of reference of the Risk Management Committee shall be as follows:

1. Review of Risk Management Policy.
2. Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
3. Such other matters as may be delegated by Board from time to time.

During the year under review, the Committee met four times on 29th May 2019, 13th August 2020, 12th November 2020, 4th Feb 2020.

## 4. SUBSIDIARY COMPANY

The Company has two subsidiary companies, M/s Atul Agro Private Limited & M/s OJAS Suppliers Limited for consolidation purposes. As per the provisions of Regulations of the Listing Agreement, M/s Atul Agro Private Limited was not a material non-listed subsidiary company for the financial year 2019-2020 and hence the provisions of this clause did not apply.

OJAS Suppliers Limited was a material non-listed subsidiary company for the financial year 2019-2020 and the provisions of this clause were duly complied.

Your Directors take pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard. The Auditors' Report to the Shareholders thereupon does not contain any qualification.

## 5. POLICY FOR PROHIBITION OF INSIDER TRADING:

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and 2015, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code for Prohibition of Insider Trading for Directors/ Officers and Designated employees of the Company, relating to dealings by them in the securities of the Company. The Code also provides for periodical disclosures from Directors/Officers and Designated employees as well as pre-clearance of transactions by such persons. During the year the company revised the Code of Conduct to regulate, monitor and report trading by Insiders in line with the requirements of SEBI (Prohibition of Insider Trading) Amendment Regulations, 2019.

## 6. ANNUAL GENERAL MEETING

Location and time, where last three AGMs were held:

| Year | Date | Place | Time |
|---|---|---|---|
| 2019 | 30.09.2019 | 77, Ground Floor, D.T.C apartment, Road no. 44, Pitampura, New Delhi - 110034 | 10:00 A.M. |
| 2018 | 28.09.2018 | 77, Ground Floor, D.T.C apartment, Road no. 44, Pitampura, New Delhi - 110034 | 10:00 A.M. |
| 2017 | 18.09.2017 | 77, Ground Floor, D.T.C apartment, Road no. 44, Pitampura, New Delhi - 110034 | 11:00 A.M. |

**EXTRA ORDINARY GENERAL MEETING**

Location and time, where EGMs were held during the year:

| Year | Date | Place and Agenda | Time |
|---|---|---|---|
| 2019-20 | 23.12.2019 | 77, Ground Floor, D.T.C apartment, Road no. 44, Pitampura, New Delhi – 110034 (Appointment of Mr. Vivek Chaturvedi as an Managing Director) | 10:00 A.M. |

## 7. DISCLOSURES

**(a)** There were no materially significant related party transactions during the year having conflict with the interest of the Company. Such transactions in the ordinary course of business are also placed before the Audit Committee, from time to time. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 18, have been incorporated in the Notes to the Accounts.

**(b)** There are no instances of non-compliance by the Company, penalties or strictures imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

**(c)** The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation of the Listing Agreement. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code.

**(d)** The Annual Report of the Company contains a declaration to this effect signed by the Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also posted on the website of the company.

**(e)** The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with Regulations of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

(f) The Reserve Bank of India vide its circular dated September, 2008 issued guidelines for all NBFCs to adopt Fair Practice Code. The Company adopted the same and is available on the website of the Company. Further, as per recent circular issued by RBI to incorporate suitable amendments in Fair Practice Code, the Board of Directors in their meeting adopted the amended Fair Practice Code and the same is available on the website of the Company.

## 8. MEANS OF COMMUNICATION

The Board of Directors of the Company approve and take on record the un-audited financial results in the proforma prescribed by the stock exchange, within 45 days of the close of every quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed. Shareholders are intimated through print media of quarterly financial results and performance besides significant matters, within time period stipulated from time to time by stock exchanges. The quarterly Un-Audited Financial Results and Audited Financial Results are published in a leading national newspaper and a vernacular language newspaper.

The Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the Members and others entitled thereto.

**Covering letter of annual audit report to be filed with stock exchanges**

In terms of Clause 31(a) of the Listing Agreement, the covering letter of the annual audit report to be filed with the stock exchanges (Form A) duly signed by the CEO, Executive Director & CFO, Auditors of the company and Chairman of the Audit Committee would be filed with the stock exchanges along with the copies of the Annual Reports.

**Website and News Release**

The quarterly, half-yearly & nine months un-audited financial results and annual audited results are available on the website of the Company i.e. "www.acmeresources.in". Official news releases, detailed presentations made to media, analysts, etc are available on the website of the Company. Your Company also make timely disclosure of necessary information to BSE Limited in terms of the Listing Regulation and other rules and regulation issued by the Securities and Exchange Board of India.

Further following information is available on the website of the Company:

Details of business of the Company;
Terms and conditions of appointment of Independent Directors;
Composition of various Committees of Board of Directors;
Code of Conduct for Board of Directors and Senior Management Personnel;
Details of establishment of vigil mechanism/ Whistle Blower policy;
Criteria of making payments to Non-Executive Directors;
Policy on dealing with Related Party Transactions;
Policy for determining 'material' subsidiaries;
Details of familiarization programs imparted to Independent Directors;
Policy for determination of materiality of events

## 9. SHARE CAPITAL AUDIT

The capital audit as required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated 31/12/2002 and SEBI Circular No. CIR/MRD/DP/30/2010, a Qualified Practicing Chartered Accountant carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.

## 10. GENERAL SHAREHOLDER'S INFORMATION

### a. Annual General Meeting:

| | |
|---|---|
| Date & Time | 30.09.2020 |
| Venue | 984, 9th Floor Aggarwal Cyber Plaza-II Pitampura, Netaji Subhas Place Delhi Pin: 110034 |

### b. Financial Calendar (Tentative)

| | |
|---|---|
| Financial reporting for the quarter ending June 30, 2019 | 2nd week of August 2020 |
| Financial reporting for the quarter ending September 30, 2019 | 2nd week of November 2020 |
| Financial reporting for the quarter ending December 31, 2019 | 2nd week of Feb 2021 |
| Financial reporting for the quarter ending 31st March 2020 | At the end of May 2021 |
| Annual General Meeting for the year ending March 31, 2020 | Last week of September 2021 |
| Date of Book closure | 22nd September 2020 to 28th September 2020 (both days inclusive) |
| Dividend Payment Date | No dividend has been recommended by Board |
| Listing on Stock Exchanges | Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata – 700 001 |
| | The Bombay Stock Exchange, Dalal Street, Mumbai-400001 |
| Listing fees paid | Annual Listing Fees as prescribed have been paid to the above Stock Exchanges upto 31st March, 2020. |

### c. Stock Code:

| Name of the Exchange | Code |
|---|---|
| The Calcutta Stock Exchange Association Ltd. | 10029964 |
| The Bombay Stock Exchange | 539391 |
| ISIN No. | INE636B01011 |

### d. Stock Market Data

*Market Price Data: High/Low during each month in last financial year.

Trading has been done only in Bombay Stock Exchange during the last financial year 2019-2020.

| Months | Calcutta Stock Exchange (CSE) (In Rs.) | | Bombay Stock Exchange (BSE) (In Rs.) | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April-19 | - | - | 12.50 | 11.40 |
| May -19 | - | - | 11.80 | 11.65 |
| June -19 | - | - | 12.16 | 12.00 |
| July – 19 | - | - | 12.00 | 12.00 |
| Aug-19 | - | - | 11.95 | 11.95 |
| Sep-19 | - | - | 11.95 | 11.12 |
| Oct -19 | - | - | 12.07 | 10.75 |
| Nov -19 | - | - | 10.10 | 6.36 |
| Dec -19 | - | - | 6.05 | 5.00 |
| Jan -20 | - | - | 6.98 | 5.49 |
| Feb -20 | - | - | 8.46 | 5.96 |
| Mar -20 | - | - | 5.80 | 5.55 |

**e. Registrar and Transfer Agents:**

| | |
|---|---|
| For Physical and Dematerialised Form | Maheswari Datamatics (P) Limited<br>6, Mangoe Lane, Kolkata -700 001 |

**f. Share Transfer System:**

The Company's shares are tradable in compulsory dematerialised form and are transferable though the depository system. Further, as per SEBI Circular No. D & CC/FITTC/CIR-15/2002 dated 27th December, 2002, Maheswari Datamatics (P) Limited, 6, Mangoe Lane, Kolkata – 700001 has been appointed as Registrar for Shares held in physical as well as in Electronic Mode. The Share Transfer Committee of the Company meets as and when required.

**g. Investor Services – Complaints received during the year 2019-20:**

No Investor Complaint was received during the year and resolved. There were no outstanding complaints as on 31st March, 2020.

**h. Distribution of shareholding as on 31st March, 2020**

| No. Of Equity Shares Held | No. Of Shareholders | % age of shareholders | No. Of Shares | %age of equity Capital |
|---|---|---|---|---|
| 1-500 | 1266 | 68.3216 | 1,64,968 | 0.6408 |
| 501-1,000 | 130 | 7.0157 | 1,14,675 | 0.4454 |
| 1001-2000 | 114 | 6.1522 | 1,95,219 | 0.7583 |
| 2001 – 3000 | 98 | 5.2887 | 2,65,521 | 1.0314 |
| 3001-4000 | 52 | 2.8063 | 1,97,341 | 0.7666 |
| 4001 – 5000 | 73 | 3.9396 | 3,56,045 | 1.3830 |
| 5001-10,000 | 83 | 4.4752 | 6,30,850 | 2.4505 |
| 10,001 & above | 37 | 1.9968 | 2,38,19,381 | 92.5240 |
| **Total** | **1,853** | **100.0000** | **25,744,000** | **100.0000** |

**i. Categories of shareholding as on 31st March, 2020:**

| Category | No. Of share Holders | % of Share Holders | No. Of Shares held | % share Holding |
|---|---|---|---|---|
| Individuals | 1797 | 96.98 | 26,83,674 | 10.42 |
| Corporates | 52 | 2.80 | 41,56,033 | 16.14 |
| Promoters | 4 | 0.22 | 1,89,04,293 | 73.43 |
| **Total** | **1,853** | **100** | **2,57,44,000** | **100** |

**j. Dematerialisation of Shares and Liquidity:**

Trading in the securities of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI).

**k. Details of use of public funds obtained in the last three years:**

No funds have been raised from the public in the last 3 years.

**l. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data likely impact on equity:**

N. A.

**m. Plant Locations:**

N. A.

**n.** E-mail ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors: acmeresources@gmail.com.

**o.** The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.

**p. Investors Correspondence:**

For Investors correspondence and queries investors can write to the Company's Registered Office

The Company Secretary
Acme Resources Limited
984, 9th Floor, Netaji Subhash Place, Pitampura,
New Delhi – 110034

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

The Board of Directors of ACME RESOURCES LIMITED hereby declare that the Company has formulated a Code of Conduct to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges where the shares of the Company are listed. As per Regulation 17(5) and Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 executed with the Stock Exchanges of all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2019.

Place : New Delhi
Date : 29th June, 2020

sd/-
Vivek Chaturvedi
Managing Director
DIN-08027097

**CERTIFICATE BY PRACTISING COMPANY SECRETARY**

[Pursuant to schedule V read with regulation 34(3) of the SEBI Listing Regulations (as amended)]

In the matter of Acme Resources Ltd. (CIN: L65993DL1985PLC314861) having its registered Office at 984, 9th Floor, Netaji Subhash Place, Pitampura, New Delhi – 110034

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company and subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lock down; I certify that the following persons were directors of the Company (during 01/04/2019 to 31/03/2020) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

| Directors | DIN No. | Designation |
|---|---|---|
| Mr. Sharad Saluja **(Resign on 26th Feb 2020)** | 01670036 | Chairman and Managing Director |
| Mr. Kuldeep Saluja | 00289187 | Non-Executive Director |
| Mr. Balbinder Singh **(Resign on 26th Feb 2020)** | 07030460 | Independent Director |
| Mrs. Neeti Agrawal **(Resign on 26th Feb 2020)** | 03230890 | Independent and Women Director |
| Mr. Vivek Chaturvedi **(Appoint as on 1st November 2019)** | 08027097 | Chairman and Managing Director |
| Ms. Swati Agarwal **(Appoint as on 26th Feb 2020)** | 06684407 | Independent and Women Director |
| Mr. Hitesh Chopra **(Appoint as on 26th Feb 2020)** | 08708186 | Independent Director |

Place: New Delhi
Date: 29th June, 2020

For Vikas Gera & Associates

Vikas Gera
Practicing Company Secretary
FCS No. 5248
C P No.: 4500

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

We hereby certify that for the financial year ending 31st March 2020, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations,

3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2019-20 which are fraudulent, illegal or violative of the Company's code of conduct,

4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies,

5. We further certify that :

   (a) There have been no significant changes in internal control system during this year.

   (b) There have been no significant changes in accounting policies during this year.

   (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

sd/-
Mr. Kailash Kumar Jha
Chief Financial Officer

Sd/-
Mr. Vivek Chaturvedi
Managing director
DIN-08027097

Place : New Delhi
Date : 29th June, 2020

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To
The Members of Acme Resources Limited

The Corporate Governance Report prepared by Acme Resources Limited (hereinafter the 'Company'), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub–regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the stock exchange.

**Management's Responsibility**

The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the Applicable Criteria. Summary of procedures performed include:

i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

iv. Obtained and read the minutes of the following committee meetings held from April 1, 2019 to March 31, 2020

(a) Board of Directors;
(b) Audit Committee;
(c) Annual General Meeting;
(d) Nomination and Remuneration Committee;
(e) Stakeholders Relationship Committee;
(f) Risk Management Committee

v. Obtained necessary declarations from the directors of the Company.
vi. Obtained and read the policy adopted by the Company for related party transactions.
vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
viii. Performed necessary inquiries with the Management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations and management representations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020.

**Other matters and Restriction on Use**

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For T R Chadha & Co LLP**
**Chartered Accountants**
Firm Reg. No. 006711N/N500028

Sd/-
**(Aashish Gupta)**
Partner
M. No. 097343

Place: New Delhi
Dated: 29th June, 2020

## MANAGEMENT DISCUSSION AND ANALYSIS

**Industry Structure and Development – Overview:**

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world — leading to well above 4.7 million confirmed infections, over 315,000 deaths, enormous human suffering and a full stop on virtually all commercial and economic activities.

Even India, apparently relatively fortunate up to now, has had 101,139 confirmed cases and 3,163 deaths as per COVID-19 Situation Report–120 of World Health Organisation (WHO) dated 19 May 2020. With lockdowns spreading across countries accounting for over 50% of the world's gross domestic product (GDP), COVID-19 has caused disruptions on an unimaginable scale. Nobody really knows how long the pandemic will last; whether it will increase in the winter of 2020-21 and if so how, and what will be its final toll on lives and livelihood. With the impact of this pandemic still to play out, the scenario of eerily empty high streets, shut factories and stores, and literally millions being rendered unemployed together point to a single outcome — extreme stress for the global economy of the kind not seen since the Great Depression. In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. The picture of millions of unemployed daily wage workers and their families trying to trudge back to their villages hundreds of kilometres away; shut factories and stores; empty construction sites; and a nation being deprived of its natural economic vigour are vignettes of this scourge. After a nationwide lockdown involving 1.35 billion people over 55 continuous days, the debate is now on how to gradually open the economy without seriously risking a major spike in infections — something that India's frail medical facility can ill cope with. The Government of India has announced lockdown 4.0 from 18 May 2020 till 31 May 2020. Containment zones in cities and metropolises continue to remain locked down and local authorities are to intensify focus on containment zones and the so-called 'buffer zones', with some relaxations in non-containment zones. Efforts are being made to carefully open up economic activities including construction, factories, shops and stores across most parts of the country with adequate social distancing, use of masks and other stringent health protocols. Even so, returning to the pre-COVID-19 normal seems a long way away. The exit path from such a massive lockdown will be precarious with uneasy consumers, tricky health protocols and an irregular, downbeat business rhythm that will inhibit efficiency.

**Indian Economy**

A group of empirically sound and carefully trained economists have been attempting to estimate what might be the impact of the pandemic in the financial year 2020-21 (FY2021). The consensus seems to be that real GDP growth will fall from 4.2% in FY2020 to (-)5% in FY2021. If it was to happen as predicted, this will represent the greatest fall in GDP growth since 1979-80, when real GDP growth plummeted from 5.7% in the previous year to (-)5.2%. According to this group of economists, Q1 FY2021 will show a sharp negative growth; Q2 FY2021 will see tortuous limping back; and H2 FY2021 will see a gradual pickup in growth which, unfortunately, may not be sufficient to prevent the full year's GDP from a sharp contraction. Frankly speaking, we do not know. What we can say quite clearly is that FY2021 will be the most difficult year that we have seen for a very long time. Not just us in India, but across much of the world.

In response, Governments across the world have unleashed massive fiscal measures to protect economic activity and dramatically strengthen health services and testing. Central banks, too, have initiated multiple monetary and regulatory measures. India, too, has initiated relief measures. The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating H 20 lakh crore — or approximately 10% of nominal GDP — which covered among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate H 3 lakh crore of emergency credit lines by banks and NBFCs to their MSME borrowers and (vi) subordinated debt and equity support to MSMEs.

The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has also initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

Some experts, however, believe that the measures announced by the Government are predominantly liquidity support mechanisms through banks and NBFCs, and constitute only a limited fiscal stimulus. Given the extended tenor of lockdown and severity of its impact on the economy, it is likely that the fiscal stimulus announced so far may not have the desirable effect on the economy. It remains to be seen whether there are other fiscal measures in the offing.

Acme and its subsidiaries took immediate steps to manage this force majeure situation and engaging all business partners digitally and through WFH protocol for business continuity. The situation is still evolving, and it is not possible to hazard a guess on how this pandemic will evolve. On its part, Acme and its subsidiaries are focusing on capital preservation, Balance Sheet protection, conservative liquidity management, operating expenses management and strengthening collections.

**Opportunities, Threats, Risks and Concerns:**

As an NBFC, Acme is exposed to credit, liquidity, market and interest rate risk. It continues to invest in talent, processes and emerging technologies for building advanced risk management and underwriting capabilities. Over years, sustained efforts to strengthen its risk framework have resulted in lower risk costs for the Company.

Acme balanced approach to portfolio management coupled with a rigorous portfolio review mechanism has enabled it to pick up early warning signals and take corrective actions. The portfolio continues to remain healthy across most lines of businesses. With use of sophisticated analytics, Acme has maintained a healthy portfolio quality and takes risk mitigating policy actions with agility and precision.

A strong governance framework ensures that the Board of Directors and its committees approve risk strategies and delegates credit authorities. Robust underwriting practices and continuous risk monitoring ensure that portfolios stay within acceptable risk levels. Acme has deeply invested in its risk organisation structure that includes dedicated credit risk units for each business vertical; business specific units such as underwriting, risk containment and fraud control; and horizontal risk analytics, business intelligence and operational risk management units.

Your company is exposed to external and internal risks associated with the business. It is exposed to strong competitive pressures and financial risks from changes in interest rate, economic cycles, etc.

Your company is taking steps to ensure effective risk management by maintaining a prudent and commercial business practices and a comprehensive risk management policy.

**Reducing Credit Losses (NPAs)**
Interacting closely with customers helps us pre-empt and reduce credit losses. However, in some stray cases where the loan assets slip into NPAs, our responsiveness coupled with an efficient recovery system helps us minimise losses.

**Segment–wise or product-wise performance:**
The company has 2 business segments i.e. NBFC Business including the financing activities & Sales/purchase of properties. The total revenue from NBFC business during the year was reported at Rs. 755.87 lacs and from Property trading Rs. 336.40 lacs.

**Future Outlook:**
Your Company intends to invest in businesses related to infrastructure, telecommunication, etc. In the coming years since it sees growth in it. This will definitely help the Company to establish itself and remain as a strong player in the finance industry. With the Capital market expected to be in a buoyant mood than the previous few years and with our efforts we can look forward to a rewarding year for the Company.

**Internal Control Systems and their adequacy:**
The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure:-

- That all assets and resources are used efficiently and are adequately protected,
- That all internal policies and statutory guidelines are complied with in letter & spirit, and
- The accuracy and timing of financial reports and management information.

**Risk Management:**
Risk management is an ongoing process at the Company. The Board of Directors have constituted a risk management Committee comprising three members, a majority of whom are Directors. The Board has also defined the roles and responsibilities of the risk management Committee and has delegated the monitoring and reviewing of the risk management plan to the committee.

**Material Development in Human Resources / Industrial Relations number of people employed:**
The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The Company recognizes the importance and contribution of its Human resources towards its growth and development and is committed to the development of its people.

**Financial and Operational Performance:**
The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. During the year 2019-2020 (on a standalone basis), the Company's total income increased by 18.13% to Rs. 1,157.44 lakhs and Company registered a loss of Rs. 277.29 lakhs.

**Cautionary Statement:**

This report contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower, economic conditions, government policies and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward- looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

**Additional Information :-**

1. During FY2020, the Company has not sanctioned loans to any of its directors and there are no outstanding loans to directors as on 31 March 2020.
2. None of the employees of the Company are related to any of the directors.
3. Barring the impact of COVID-19 pandemic as described in the 'Management Discussion and Analysis' no significant event has taken place which will have an impact on the performance of the Company during FY2020, from the date of the Balance Sheet till the date of this report.

**Circulation of Annual Reports in electronic form :-**

In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for FY2020. Accordingly, the Annual Report of the Company for FY2020 is being sent only by email to the members, and all other persons/entities entitled to receive the same. This Annual Report, along with other documents, is also available on the Company's website at https://www.acmeresources.in

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF M/S. ACME RESOURCES LIMITED**

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, we state that:

1. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the Certificate of Registration as provided in section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) dated 6th March 2018 No. B.14.03408 from Reserve Bank of India.

2. The Company is entitled to continue to hold the Certificate of Registration in terms of Asset/ income pattern as on 31st March 2020.

3. The Board of Directors has during the year passed a Resolution for non-acceptance of any Public Deposits.

4. The Company has not accepted any "Public Deposit" in the financial year ended 31st March 2020.

5. According to information & Explanation given to us, the Company has complied with the Prudential Norms relating to Income recognition, Accounting Standards, Asset Classification and Provision for Bad & Doubtful Debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting & Holding) Companies Prudential Norms (Reserve Bank of India) Directions, 2007.

**For T R Chadha & Co LLP**
**Chartered Accountants**
Firm Reg. No. 006711N/N500028

Sd/-
(Aashish Gupta)
Partner
M. No. 097343

Place: New Delhi

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Acme Resources Limited

**Opinion**

1. We have audited the accompanying standalone financial statements of **Acme Resources Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 Indian Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Losses and its cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter**

4. We draw attention to Note 48 to the standalone financial results, which describes the extent to which the Covid-19 pandemic will impact the Company's standalone financial results will depend on the future developments, which are highly uncertain.

   Our opinion is not modified in respect of this matter.

**Key Audit Matter(s)**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

| **Key Audit Matter** | **How our audit addressed the key audit matter** |
|---|---|
| **Identification and provisioning of Non-performing assets**<br><br>Refer note 1 for significant accounting policy and notes 6 & 47 for the financial disclosures.<br><br>As at 31st March, 2020, the company has reported total loans and advances towards financing activity of Rs. 8,356.29 lacs gross NPAs of Rs. 2,154.66 lacs and provision for non-performing assets of Rs. 1,356.01 lacs. | Our audit procedures included, but were not limited to, the following:<br><br>Testing the design, implementation and operating effectiveness of the key controls relating to sanctioning of loans, periodic internal reviews by Asset Liability Management committee, identification of NPAs and calculation of the provision.<br><br>Testing the classification of loan balances in accordance with RBI prudential norms as standard assets and NPAs for a sample of loan accounts. |

| | |
|---|---|
| The Company is required to comply with Master Direction – Non-Banking Financial company-Non-systemically Important Non-deposit taking company (Reserve Bank) Directions, 2016 ('RBI prudential norms') for the asset classification and recognition of provision. The RBI prudential norms prescribe provisioning requirements to be complied with based on number of days on credit facilities remains overdue.<br><br>Further, the RBI prudential norms also require that the management, apart from recognizing a time-based provision also carries out periodical credit reviews on loans which demonstrate credit weakness in order to recognize provision over and above the time-based provisions prescribed under the RBI prudential norms.<br><br>Considering the significance of the above matter to the financial statements, the judgements involved and significant auditor attention required to test identification and provision of NPAs, we have identified this as a key audit matter for current year audit. | Verifying the completeness and accuracy of the underlying data used for calculation performed by management to comply with the RBI prudential norms.<br><br>Re-performing the credit reviews to ascertain the efficacy of the reviews conducted by the management.<br><br>On a sample basis, tested the ageing by tracing the transactions in the customer accounts to the underlying documents and recoverability of loan portfolio.<br><br>Assessing the appropriateness and adequacy of disclosures against relevant accounting standards and RBI prudential norms relating to NPAs.<br><br>Based on above procedure, we opined that provision made against loans and advances as on balance sheet date is adequate. |

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

7. 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. The Annual report is expected to be made available to us after the date of this auditor's report.

   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.

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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

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

9. 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

   Identify and assess the risks of material misstatement of the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

   Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

   We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the 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 with reference to financial statements 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:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 27 of the financial statement);

      ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For T R Chadha & Co LLP**
**Chartered Accountants**
**Firm's Registration Number – 006711N/N500028**

Place of Signature: New Delhi
Date: 29th June 2020

sd/-
**(Aashish Gupta)**
**Partner**
**Membership Number–097343**
**UDIN No. 20097343AAAAFD9299**

**ANNEXURE A REFERRED TO IN PARAGRAPH 5 (1) OF OUR REPORT OF EVEN DATE**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management during the year, which in our opinion is considered reasonable having regard to the size of the company and the nature of its assets and no material discrepancy was noticed on such verification as compared to book records.

(c) The Company has immovable properties and title deeds are held in the name of the company.

2) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed during the year.

3) With respect to grant of loans, secured or unsecured to companies, firms, LLPs and partnership or other parties covered in the register maintained under Section 189 of the Companies Act;

(a) The company has granted loans to such parties and the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) the repayment of principal and interest are regular as per the agreed schedule;

(c) the company has no overdue amount in respect of company covered in the register maintained under Section 189 of the Companies Act at year end for existing loans.

4) The company is an Non-Banking Financial Company (NBFC). Therefore, clause 3 (iv) of the order is not applicable.

5) According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act and rules framed thereunder.

6) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any for its product and services.

7) **In respect of statutory dues**

a) The company has been generally regular in depositing undisputed statutory dues including Income-tax, Goods & services Tax, Service tax, Cess and any other material statutory dues with the appropriate authorities. There are no outstanding statutory dues as at 31st March, 2020 for a period of more than six months from the date they became payable.

b) According to the records of the company, there are no disputed dues of sales tax, income tax, duty of customs, duty of excise, value added tax ,service tax and cess which have not been deposited on account of any dispute.

8) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders;

9) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, clause w.r.t. term loans and money raised by way of public offer as given in clause 3 (ix) of the Order is not applicable;

10) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company;

11) The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013;

12) In our opinion and according to the information and explanation given to us, the Company is not an Nidhi Company. Therefore, this clause is not applicable;

13) According to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards;

14) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;

15) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.

16) The company is a Non-Banking Financial Company (NBFC) and registered under section 45-IA of the Reserve Bank of India Act, 1934 and is engaged in the business of loans and advances.

**For T R Chadha & Co LLP**
**Chartered Accountants**
**Firm's Registration Number – 006711N/N500028**

Place of Signature: New Delhi
Date: 29th June 2020

sd/-
**(Aashish Gupta)**
**Partner**
**Membership Number–097343**
**UDIN No. 20097343AAAAFD9299**

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ACME RESOURCES 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 Acme Resources Limited ("the Company") as of March 31, 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 T R Chadha & Co LLP**
**Chartered Accountants**
**Firm's Registration Number – 006711N/N500028**

Place of Signature: New Delhi
Date: 29th June 2020

sd/-
**(Aashish Gupta)**
**Partner**
**Membership Number–097343**
**UDIN No. 20097343AAAAFD9299**

**Acme Resources Limited**
**Standalone Balance Sheet as at 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

| | Note | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | 4 | 10.76 | 1,183.76 | 35.22 |
| Receivables - Trade Receivables | 5 | - | 0.51 | 0.74 |
| Loans | 6 | 7,000.28 | 6,272.46 | 5,050.42 |
| Investments | 7 | 965.98 | 977.46 | 3,443.54 |
| Other financial assets | 8 | 1,446.41 | 1,226.80 | 2,280.94 |
| **Non-financial assets** | | | | |
| Inventories | 9 | 1,972.34 | 2,102.72 | 1,305.20 |
| Current tax assets (net) | 10 | 38.86 | 405.62 | 424.71 |
| Deferred tax assets (net) | 11 | 343.47 | 172.11 | 137.76 |
| Property and equipment | | | | |
| Tangible assets | 12 | 8.41 | 9.77 | 9.86 |
| Other non-financial assets | 13 | 0.12 | 0.75 | 0.82 |
| **Total Assets** | | **11,786.62** | **12,351.96** | **12,689.20** |
| **LIABILITIES AND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| **Financial liabilities** | | | | |
| Payables | | | | |
| Trade payables | | | | |
| total outstanding dues of micro enterprises and small | | - | - | - |
| total outstanding dues of creditors other than micro enterprises and | 14 | 8.86 | 69.76 | 130.86 |
| Borrowings (other than debt securities) | 15 | 3,745.75 | 3,267.90 | 3,534.41 |
| Other financial liabilities | 16 | 284.57 | 68.84 | 294.55 |
| **Non-financial liabilities** | | | | |
| Current tax liabilities (net) | 17 | - | 16.38 | - |
| Other non-financial liabilities | 18 | 319.60 | 1,223.95 | 39.44 |
| **EQUITY** | | | | |
| Equity share capital | 19 | 2,574.40 | 2,574.40 | 2,574.40 |
| Other equity | 20 | 4,853.44 | 5,130.73 | 6,115.54 |
| **Total Liabilities and Equity** | | **11,786.62** | **12,351.96** | **12,689.20** |

The accompanying notes form an integral part of these financial statements
This is the balance sheet referred to in our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**sd/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFE1749

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

sd/-
**Kuldeep Saluja**
Director
DIN No. 00289187

sd/-
**Vivek Chaturvedi**
Managing Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS713

**Place : New Delhi**
**Date : 29th June 2020**

**Acme Resources Limited**

**Standalone Statement of Profit and Loss for the year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

| | Note | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 21 | 755.87 | 549.58 |
| Sale of Property | 22 | 336.40 | 178.40 |
| Net gain on financial instruments through FVTPL | 23 | 36.78 | - |
| **Total revenue from operations** | | **1,129.05** | **727.98** |
| Other income | 24 | 28.39 | 251.79 |
| **Total income** | | **1,157.44** | **979.77** |
| | | | |
| **Expenses** | | | |
| Finance costs | 25 | 340.16 | 393.56 |
| Impairment on financial instruments | 26 | 741.07 | 157.00 |
| Purchase of Stock in Trade | | - | 936.47 |
| Change in Inventories of Stock-in-Trade | 27 | 125.44 | (797.52) |
| Employee benefits expenses | 28 | 73.00 | 128.01 |
| Depreciation and amortisation | 29 | 1.94 | 2.00 |
| Other expenses | 30 | 55.58 | 1,108.43 |
| **Total expenses** | | **1,337.19** | **1,927.95** |
| | | | |
| **Profit before tax** | | **(179.75)** | **(948.17)** |
| | | | |
| **Tax expenses** | | | |
| Current tax | | 135.00 | 71.00 |
| Tax in respect of earlier years | 31 | 133.89 | - |
| Deferred tax charge/(credit) | | (171.36) | (34.36) |
| **Total tax expense** | | **97.53** | **36.64** |
| | | | |
| **Profit for the period** | | **(277.28)** | **(984.81)** |
| | | | |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement (losses)/gains on defined benefit plans | | - | - |
| Income tax relating to above item | | - | - |
| | | | |
| **Other comprehensive (loss)/ income** | | **-** | **-** |
| | | | |
| **Total comprehensive income for the year** | | **(277.28)** | **(984.81)** |
| | | | |
| **Earnings per equity share:** | | | |
| Basic (₹) | 32 | (1.08) | (3.83) |
| Diluted (₹) | | (1.08) | (3.83) |

The accompanying notes form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**sd/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFE1749

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

| | |
|---|---|
| **sd/-** | **sd/-** |
| **Kuldeep Saluja** | **Vivek Chaturvedi** |
| Director | Managing Director |
| DIN No. 00289187 | DIN No. 08027097 |
| | |
| sd/- | sd/- |
| **Kailash Jha** | **Vineeta Sharma** |
| Chief Financial Officer | Company Secretary |
| PAN No. AMAPJ6908Q | PAN No. DLQPS7130R |

**Place : New Delhi**
**Date : 29th June 2020**

**Acme Resources Limited**
**Standalone Statement of Cash Flow for the year ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | **Net profit before tax** | (179.75) | (948.17) |
| | **Adjustments for :** | | |
| | Impairment on financial instruments | 741.07 | 157.00 |
| | Depreciation and amortizarion | 1.94 | 2.00 |
| | Interest & Finance charges | 340.16 | 393.56 |
| | Diminution in Value of Inventories | 4.94 | 3.84 |
| | **Operating profit before working capital changes** | 908.36 | (391.77) |
| | **Working capital changes:** | | |
| | Decrease/ (increase) in loans | (1,468.88) | (1,379.04) |
| | Decrease/ (increase) in other financial assets | (219.60) | 1,054.14 |
| | Decrease/ (increase) in other non-financial assets | 0.63 | 0.07 |
| | Decrease/ (increase) in inventories | 125.44 | (801.37) |
| | Increase/ (Decrease) in trade payables | (60.90) | (61.10) |
| | Increase/ (decrease) in other financial liabilities | 215.73 | (225.71) |
| | Increase/ (decrease) in other non-financial liabiities | 1,689.11 | (1,183.57) |
| | Decrease/ (increase) in Trade Receivables | 0.51 | 0.23 |
| | | **1,190.40** | **(2,988.12)** |
| | Direct taxes paid (net of refunds) | (165.99) | 35.47 |
| | **Net cash generated from/(used in) operating activities** | **1,024.41** | **(2,952.65)** |
| **B** | **Cash flow from investing activities :** | | |
| | Proceeds from sale of Investments | 11.48 | 2,466.08 |
| | Purchase of property and equipment | (0.57) | (1.92) |
| | **Net cash generated from/(used in) investing activities** | **10.91** | **2,464.16** |
| **C** | **Cash flow from financing activities :** | | |
| | Proceeds from borrowings | 477.84 | (266.51) |
| | Interest paid | (340.16) | (393.56) |
| | **Net cash (used in)/generated from financing activities** | **137.68** | **(660.07)** |
| **D** | **Net (increase)/decrease in cash and cash equivalents (A+B+C)** | 1,173.00 | (1,148.55) |
| **E** | **Cash and cash equivalents at the beginning of the period** | 1,183.76 | 35.22 |
| **F** | **Cash and cash equivalents at the end of the period ( D + E )** | **10.76** | **1,183.76** |
| | **Notes:** | | |
| | **Cash and cash equivalents as at the end of the period include:** | | |
| | Cash on hand | 1.06 | 0.84 |
| | Balances with scheduled banks: | | |
| | in current accounts | 9.70 | 3.49 |
| | Cheques in hand | - | 1,179.43 |
| | **Cash and cash equivalents as at the end of the period (refer note 4)** | **10.76** | **1,183.76** |

The accompanying notes form an integral part of these financial statements
**This is the Cash Flow Statement referred to in our report of even date**

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**sd/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFE1749

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

sd/-
**Kuldeep Saluja**
Director
DIN No. 00289187

sd/-
**Vivek Chaturvedi**
Managing Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R

**Place : New Delhi**
**Date : 29th June 2020**

**Acme Resources Limited**
**Standalone Statement of Changes in Equity for the year ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**A Equity share capital**

| Particulars | Balance as at 1 April 2018 | Changes during the year | Balance as at 31 March 2019 | Changes during the year | Balance as at 31 March 2020 |
|---|---|---|---|---|---|
| Equity share capital | 2,574.40 | - | 2,574.40 | - | 2,574.40 |
| | **2,574.40** | **-** | **2,574.40** | **-** | **2,574.40** |

**B Other equity**

| Particulars | Reserves and Surplus | | | Total |
|---|---|---|---|---|
| | Statutory reserves as per Section 45-IC of the RBI Act,1934 | Securities premium | Retained earnings | |
| **Balance as at 1 April 2018** | **1,189.34** | **500.00** | **4,426.20** | **6,115.54** |
| Profit / (Loss) for the period | - | - | (984.81) | (984.81) |
| Other comprehensive income for the year before income tax | - | - | - | - |
| Transfer to statutory reserve fund | - | - | - | - |
| **Balance as at 31 March 2019** | **1,189.34** | **500.00** | **3,441.39** | **5,130.73** |
| | | | | |
| **Balance as at 1 April 2019** | **1,189.34** | **500.00** | **3,441.39** | **5,130.73** |
| Profit / (Loss) for the period | - | - | (277.28) | (277.28) |
| Other comprehensive (loss) for the year before income tax | - | - | - | - |
| Transfer to statutory reserve fund | - | - | - | - |
| **Balance as at 31 March 2020** | **1,189.34** | **500.00** | **3,164.11** | **4,853.44** |

The accompanying notes form an integral part of these financial statements
**This is the Statement of Changes in Equity referred to in our report of even date**

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**sd/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFE1749

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

sd/-
**Kuldeep Saluja**
Director
DIN No. 00289187

sd/-
**Vivek Chaturvedi**
Managing Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AATPG8459J

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R

**Place : New Delhi**
**Date : 29th June 2020**

# ACME RESOURCES LIMITED

**For the year ended 31st March 2020**

**1 CORPORATE INFORMATION**

The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 to carry on business as a Non Banking Financial Institution without accepting public deposits. The Company is in the business of providing Short term/ Long term loans and advances to borrowers. The registered office of the company is located at 984, 9th Floor, Aggarwal Cyber Plaza – II, Netaji Subhash Place, Pitampura, New Delhi - 110034

**BASIS OF PREPARATION**

**2 Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/ 22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting except in case of significant uncertainties. The standalone financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company.
The company has incurred loss in current and immediately previous year. The company has positive networth and realizable value of assets is much higher than liability accoridngly the financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

**2.1 Presentation of financial statements**

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

**Critical accounting estimates and judgments**

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those based on Management's estimates. Accounting estimates and judgments are used in various line items in the financial statements for e.g. :

I Fair value of financial instruments [Refer note no. 3.15 and 46]
II Impairment of financial assets [Refer note no. 3.4(i), 6 and 47]
III Provisions and contingent liabilities [Refer note no. 3.11 and 35]
IV Provision for tax expenses [Refer note no. 3.7 and 31]

**Estimation of impairment allowance on financial assets amidst COVID-19 pandemic**

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

## 3 Summary of significant accounting policy

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 3.1 Income

**(i) Interest Income**

The Company recognises interest income using effective interest rate (EIR). Overdue interest in respect of loans is recognized upon realisation.

**(ii) Sale of Property**

In case of Plots/Flats, The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time and subsequently over time when the Company has enforceable right for payment for performance completed to date. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products.

**(iii) Dividend income**

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(iv) Income from Investments**

Profit /(Loss) from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

**(v) Rental income**

Lease rental income is recognised in the statement of profit and loss on straight line basis over the period of lease.

**(vi) Other operating income**

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

### 3.2 Expenditures

**(i) Finance Cost**

Borrowing costs on financial liabilities are recognised using the EIR.

**(ii) Other expenses**

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

### 3.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.4 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

**(i) Financial Assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity instruments, trade receivables and cash and cash equivalents.

**Initial measurement**

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless proved to the contrary.

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets classified as Equity instruments designated under FVOCI as per the Company's Board approved policy.

Equity investments designated under FVOCI

All equity investments in scope of Ind AS 109 'Financial instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to

profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

**Derecognition of financial assets**

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:
i) The right to receive cash flows from the asset has expired; or
ii) The Company has transferred its right 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 an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

On derecognition of a financial asset in its entirety, the difference between:

i) the carrying amount (measured at the date of derecognition) and

ii) the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and/or infrequent transaction of sale of portfolio which doesn't affect the business model of the Company.

**Reclassification of financial assets**

The Company changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

**Impairment of financial assets**

ECL are recognised for financial assets held under amortised cost and certain loan commitments as per the Board approved policy.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery.

**Treatment of the different stages of financial assets and the methodology of determination of ECL**

(a) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether :

i) Contractual payments of either principal or interest are past due for more than 90 days;
ii) The loan is otherwise considered to be in default

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation of period, typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.
Interest income is recognised by applying the effective interest rate to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

i) Determination of PD is covered above for each stages of ECL.
ii) EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
iii) LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company recaliberates above components of its ECL model on a periodical basis by using the available incremental and recent information as well as assessing changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 47.

**(ii) Financial liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entity's own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

**Initial measurement**

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

**Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method [Refer note no 3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

**Derecognition**

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

**(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**3.5 Investment in subsidiaries**

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

**3.6 Inventories**

(i) In the case of quoted shares, inventories have been valued at lower of cost and Net Realizable Value. Unquoted shares have been valued at lower of cost and break-up value.
(ii) In the case of plots and lands, inventories have been valued at lower of cost and market value.

**3.7 Taxes on Income**

**(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**3.8 Property, plant and equipment**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, plant and equipment'.

**Depreciation on property, plant and equipment**

(a) Depreciation is provided on a pro rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on written down value method.

(b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

(c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

(d) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

(e) Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.

(f) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.

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

**3.9 Intangible assets and amortisation thereof**

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**3.10 Impairment of non-financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

**3.11 Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**3.12 Retirement Benefits**

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, short-term compensated absences and the expected cost of other benefits is recognized in the period in which the employee renders the related services.

**3.13 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
(i) increased by interest on lease liability;
(ii) reduced by lease payments made; and
(iii) 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.

**3.14 Earning per Share**

In determining basic earning per share, the company considers the net profits attributable to equity shareholders. The number of shares used in computing basic earning per share is the weighted average number of share outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**3.15 Fair value measurement**

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure

fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 47 and 48.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 4 | **Cash and cash equivalents** | | | |
| | Cash on hand | 1.06 | 0.84 | 1.26 |
| | Balance with banks | | | |
| | - Current accounts | 9.70 | 3.49 | 33.97 |
| | - Cheques in Hand | - | 1,179.43 | - |
| | | **10.76** | **1,183.76** | **35.22** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 5 | **Trade Receivables** | | | |
| | Unsecured considered good | - | 0.51 | 26.78 |
| | Less :- Impairment loss Allowance | - | - | 26.04 |
| | | **-** | **0.51** | **0.74** |

| | **Particulars** | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 6 | **Loans (at amortised cost)** | | | |
| | **Loans** | | | |
| | Secured | 952.42 | 673.40 | 1,032.52 |
| | Unsecured | | | |
| | Loans to related parties | 1,225.00 | 336.50 | 357.50 |
| | Others | 6,178.87 | 5,877.50 | 4,118.33 |
| | Less: Impairment loss allowance | 1,356.01 | 614.94 | 457.94 |
| | **Total - net** | **7,000.28** | **6,272.46** | **5,050.42** |
| | (a) Secured by tangible assets | 952.42 | 673.40 | 1,032.52 |
| | (b) Unsecured | 7,403.87 | 6,214.00 | 4,475.83 |
| | **Total - gross** | **8,356.29** | **6,887.40** | **5,508.35** |
| | Less: Impairment loss allowance | 1,356.01 | 614.94 | 457.94 |
| | **Total - net** | **7,000.28** | **6,272.46** | **5,050.42** |
| | **(a) Loans in India*** | | | |
| | (i) Public Sector | - | - | - |
| | (ii) Others | 8,356.29 | 6,887.40 | 5,508.35 |
| | **Total - gross** | **8,356.29** | **6,887.40** | **5,508.35** |
| | Less: Impairment loss allowance | 1,356.01 | 614.94 | 457.94 |
| | **Total (a) - net** | **7,000.28** | **6,272.46** | **5,050.42** |

* The Company does not hold any loans outside India

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**Acme Resources Limited**

**Notes to the standalone financial statements for the period ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

| | | As at 31 March 2020 | | | As at 31 March 2019 | | | As at 1 April 2018 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | At amortised cost | At fair value through profit and loss (FVTPL) | Total | At amortised cost | At fair value through profit and loss (FVTPL) | Total | At amortised cost | At fair value through profit and loss (FVTPL) | Total |
| 7 | **Investments** | | | | | | | | | |
| | Mutual funds<br>(31 March 2020: 1,687; 31 March 2019: 1,687; 1 April 2018:1,432) units held in Edelweiss Crossover Fund | - | 62.18 | 62.18 | - | 73.66 | 73.66 | - | 27.62 | 27.62 |
| | **Subsidiaries** | | | | | | | | | |
| | Ojas Suppliers Private Limited<br>10,000 (31 March 2020: 10,000; 31 March 2019: 10,000; 1 April 2018: Nil) equity shares of Rs.10 each, fully paid | 608.30 | - | 608.30 | 608.30 | - | 608.30 | 608.30 | - | 608.30 |
| | Atul Agro Private Limited<br>985 (985) equity shares of Rs. 100 each fully paid up | 295.50 | - | 295.50 | 295.50 | - | 295.50 | 295.50 | - | 295.50 |
| | **Others** | | | | | | | | | |
| | Vipul Limited<br>29,87,680 equity shares of Rs. 10 each fully paid up | - | - | - | - | - | - | - | 2,512.11 | 2,512.11 |
| | **Total gross (A)** | **903.80** | **61.18** | **965.98** | **903.80** | **73.66** | **977.46** | **903.80** | **2,539.74** | **3,443.54** |
| | Aggregate amount of unquoted investment | | - | 903.80 | | - | 903.80 | | - | 903.80 |
| | Investments outside India | - | - | - | - | - | - | - | - | - |
| | Investments in India | 903.80 | 61.18 | 965.98 | 903.80 | 73.66 | 977.46 | 903.80 | 2,539.74 | **3,443.54** |
| | **Total (B)** | **903.80** | **61.18** | **965.98** | **903.80** | **73.66** | **977.46** | **903.80** | **2,539.74** | **3,443.54** |
| | Less: Allowance for impairment loss (B) | | - | **-** | **-** | **-** | **-** | | | **-** |
| | **Total net C= (A)-(B)** | **903.80** | **61.18** | **965.98** | **903.80** | **73.66** | **977.46** | **903.80** | **2,539.74** | **3,443.54** |

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| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 8 | **Other financial assets** | | | |
| | Advance Against Property | 1,226.80 | 1,226.80 | 2,226.80 |
| | Interest Receivables | 219.34 | - | 40.68 |
| | Salary Advance | 0.27 | - | 13.47 |
| | | **1,446.41** | **1,226.80** | **2,280.94** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 9 | **Inventories** | | | |
| | Inventory of Immovable Properties | 1,890.37 | 2,015.81 | 1,204.23 |
| | Inventory of Shares | 81.97 | 86.91 | 100.97 |
| | | **1,972.34** | **2,102.72** | **1,305.20** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 10 | **Current tax assets (net)** | | | |
| | Advance income tax and tax deducted at source (net of provision) | 38.86 | 405.62 | 424.71 |
| | | **38.86** | **405.62** | **424.71** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 11 | **Deferred tax assets (net)** | | | |
| | **Deferred tax assets arising on account of:** | | | |
| | - Timing difference on depreciation of plant and equipment | 2.20 | 2.69 | 4.41 |
| | - Impairment on financial instruments | 341.27 | 169.43 | 133.35 |
| | - Others | - | - | - |
| | **Total deferred tax assets** | **343.47** | **172.11** | **137.76** |
| | **Deferred tax liability arising on account of:** | | | |
| | - Fair value adjustment on investment in mutual funds | - | - | - |
| | **Total deferred tax liability** | **-** | **-** | **-** |
| | **Deferred tax assets (net)** | **343.47** | **172.11** | **137.76** |

**Movement in deferred tax assets (net)**

| | As at 1st April 2019 | Recognised in profit and loss | Recognised in other comprehensive income | As at 31 March 2020 |
|---|---|---|---|---|
| **Deferred tax assets arising on account of:** | | | | |
| - Timing difference on depreciation of plant and equipment | 2.69 | (0.49) | - | 2.20 |
| - Impairment on financial instruments | 169.43 | 171.84 | - | 341.27 |
| **Deferred tax liabilities arising on account of:** | | | | |
| - Fair value adjustment | - | - | - | - |
| **Total** | **172.12** | **171.35** | **-** | **343.47** |

| | As at 1st April 2019 | Recognised in profit and loss | Recognised in other comprehensive income | As at 31 March 2019 |
|---|---|---|---|---|
| **Deferred tax assets arising on account of:** | | | | |
| - Timing difference on depreciation of plant and equipment | 4.41 | (1.72) | - | 2.69 |
| - Impairment on financial instruments | 133.35 | 36.08 | - | 169.43 |
| **Deferred tax liabilities arising on account of:** | | | | |
| - Fair value adjustment | - | - | - | - |
| **Total** | **137.76** | **34.36** | **-** | **172.12** |

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**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**12 Property and equipment**
**Tangible assets**

| Particulars | Building | Furniture and fixtures | Computers | Vehicles | Office equipments | Total |
|---|---|---|---|---|---|---|
| **Gross block** | | | | | | |
| **Balance as at 1 April 2018** | **8.48** | **1.10** | **1.50** | **1.58** | **4.71** | **17.37** |
| Additions during the year | - | - | - | - | 1.92 | 1.92 |
| Disposals / adjustments | - | - | - | - | - | **-** |
| **Balance as at 31 March 2019** | **8.49** | **1.10** | **1.49** | **1.58** | **6.62** | **19.28** |
| **Balance as at 1 April, 2019** | **8.49** | **1.10** | **1.49** | **1.58** | **6.62** | **19.28** |
| Additions during the period | - | - | 0.58 | - | - | 0.58 |
| Disposals / adjustments | - | - | - | - | - | **-** |
| **Balance as at 31 March 2020** | **8.49** | **1.10** | **2.07** | **1.58** | **6.62** | **19.86** |
| **Accumulated depreciation** | | | | | | |
| **Balance as at 1 April 2018** | **2.86** | **1.00** | **1.04** | **1.00** | **1.60** | **7.51** |
| Depreciation charge for the year | 0.12 | 0.04 | 0.35 | 0.14 | 1.36 | 2.00 |
| Disposals / adjustments | - | - | - | - | - | **-** |
| **Balance as at 31 March 2019** | **2.98** | **1.04** | **1.39** | **1.13** | **2.97** | **9.51** |
| **Balance as at 1 April, 2019** | **2.98** | **1.04** | **1.39** | **1.13** | **2.97** | **9.51** |
| Depreciation charge for the period | 0.12 | 0.01 | 0.30 | 0.14 | 1.37 | 1.94 |
| Disposals / adjustments | - | - | - | - | - | **-** |
| **Balance as at 31 March 2020** | **3.10** | **1.05** | **1.69** | **1.27** | **4.34** | **11.45** |
| **Net block** | | | | | | |
| Balance as at 31 March 2019 | 5.51 | 0.06 | 0.10 | 0.45 | 3.65 | 9.77 |
| **Balance as at 31 March 2020** | **5.39** | **0.05** | **0.38** | **0.31** | **2.28** | **8.41** |

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**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 13 | **Other non-financial assets** | | | |
| | Prepaid expenses | 0.12 | 0.75 | 0.82 |
| | | **0.12** | **0.75** | **0.82** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 14 | **Trade payables** | | | |
| | Total outstanding dues of micro enterprises and small enterprises (refer note 33) | - | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 8.86 | 69.76 | 130.86 |
| | | **8.86** | **69.76** | **130.86** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 15 | **Borrowings (other than debt securities)(at amortised cost)** | | | |
| | **Unsecured** | | | |
| | - From Related Party | 3,618.75 | 2,931.05 | 2,982.41 |
| | - Others Loans repayable on demand | 127.00 | 336.86 | 552.00 |
| | | **3,745.75** | **3,267.90** | **3,534.41** |
| | Borrowings in India | 3,745.75 | 3,267.90 | 3,534.41 |
| | Borrowings outside India | - | - | - |
| | | **3,745.75** | **3,267.90** | **3,534.41** |

Loans and advances from Related Parties (Terms of Repayment)

| **Tenure (from the date of balance sheet)** | **Rate of Interest** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|---|
| 1 to 5 Years | 9 % to 13 % | 425.00 | 72.43 |
| more than 5 years | 9 % to 13 % | 3,193.75 | 2,858.62 |
| | **Total** | | |

Loans and advances from others (Terms of Repayment)

| **Tenure (from the date of balance sheet)** | **Rate of Interest** | | |
|---|---|---|---|
| 1 to 5 Years | 9 % to 13 % | 127.00 | 336.86 |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 16 | **Other financial liabilities** | | | |
| | Interest accrued on borrowings | 283.38 | 68.84 | 294.55 |
| | Payable to employees | 1.18 | - | - |
| | | **284.57** | **68.84** | **294.55** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 17 | **Current tax liabilities (net)** | | | |
| | Provision for income-tax (net of advance tax) | - | 16.38 | - |
| | | **-** | **16.38** | **-** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 18 | **Other non-financial liabilities** | | | |
| | Expenses Payable | 0.05 | 7.39 | 0.00 |
| | Book Overdraft | - | 1,179.43 | - |
| | Advance received from customers | 285.23 | - | - |
| | Statutory dues payable | 34.32 | 37.14 | 39.44 |
| | | **319.60** | **1,223.95** | **39.44** |

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**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**19 Share capital**

| | As at March 31, 2020 | As at March 31, 2019 | As at April 1st, 2018 |
|---|---|---|---|
| (a) **Authorized share capital** | | | |
| Equity shares of Rs.10 each | | | |
| 26000000 (Previous year 26000000) Equity Shares | 2,600.00 | 2,600.00 | 2,600.00 |
| (b) **Issued, subscribed and paid up** | | | |
| Equity shares of Rs.10 each fully paid up | | | |
| 25744000 (Previous year 25744000) Equity Shares | 2,574.40 | 2,574.40 | 2,574.40 |

| (c) **Reconciliation of equity shares capital** | As at March 31, 2020 | As at March 31, 2019 | As at April 1st, 2018 |
|---|---|---|---|
| Balance at the beginning of the year | 2,574.40 | 2,574.40 | 2,574.40 |
| Add: Shares issued during the year | - | - | - |
| Less: Bought back during the year | - | - | - |
| **Balance at the end of the year** | **2,574.40** | **2,574.40** | **2,574.40** |

(d) **Terms and rights attached to equity shares:**
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) **Details of shareholders holding more than 5% shares in the company**

| | As at March 31, 2020 | | As at March 31, 2019 | | As at April 1st, 2018 | |
|---|---|---|---|---|---|---|
| **Names of shareholders** | **No. of Shares held** | **% of Holding** | **No. of Shares held** | **% of Holding** | **No. of Shares held** | **% of Holding** |
| Narayani Dealers Pvt Ltd | | | | | | |
| Bluemoon Dealcon Pvt. Ltd. | 115.52 | 44.87% | 115.52 | 44.87% | 115.52 | 44.87% |
| Selvo Dealcom Pvt. Ltd. | 37.56 | 14.59% | 37.56 | 14.59% | 37.56 | 14.59% |
| Merit Dealers Pvt Ltd | 37.50 | 14.57% | 37.50 | 14.57% | 37.50 | 14.57% |
| | 34.02 | 13.22% | 34.02 | 13.22% | 34.02 | 13.22% |

As per records of the Company, including its register of members/ shareholders, and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

| **20 Reserves and surplus** | As at March 31, 2020 | As at March 31, 2019 | As at April 1st, 2018 |
|---|---|---|---|
| **Retained Earnings** | | | |
| **Surplus in the Statement of Profit and Loss** | | | |
| Balance at the beginning of the year | **3,441.39** | 4,426.20 | 4,283.23 |
| Add: Profit / (Loss) for the year | (277.28) | (984.81) | 178.71 |
| Less: Transfer to statutory reserve | - | - | 35.74 |
| **Balance at the end of the year** | **3,164.11** | **3,441.39** | **4,426.20** |
| **Statutory reserve fund** | | | |
| Balance at the beginning of the year | 1,189.34 | 1,189.34 | 1,189.34 |
| Add: Addition during the year | - | - | - |
| **Balance at the end of the year** | **1,189.34** | **1,189.34** | **1,189.34** |
| **Securities premium** | | | |
| Balance at the beginning of the year | 500.00 | 500.00 | 500.00 |
| Add: Addition during the year | - | - | - |
| Less: Issue of bonus shares | - | - | - |
| **Balance at the end of the year** | **500.00** | **500.00** | **500.00** |

*(This space has been intentionally left blank)*

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 21 | **Interest income (On financial assets measured at amortised cost)** | | |
| | Interest on loans | 755.87 | 549.59 |
| | | **755.87** | **549.58** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 22 | **Sale of Property** | | |
| | Sale of Property | 336.40 | 178.40 |
| | | **336.40** | **178.40** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 23 | | | |
| | Net gain on financial instruments through FVTPL | 36.78 | - |
| | | **36.78** | **-** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 24 | **Other income** | | |
| | Interest on Income Tax Refund | 3.81 | - |
| | Dividend income | - | 1.49 |
| | Profit on Cancellation of Flats/Property | - | 227.00 |
| | Rental income | 24.45 | 22.20 |
| | Miscellaneous income | 0.13 | 1.10 |
| | | **28.39** | **251.79** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 25 | **Finance costs** | | |
| | Interest on borrowings measured at amortised cost | 339.76 | 393.52 |
| | Interest expense on delayed payment of statutory dues | 0.40 | 0.04 |
| | | **340.16** | **393.56** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 26 | **Impairment on financial instruments (At amortised cost)** | | |
| | Loans | 741.07 | 157.00 |
| | | **741.07** | **157.00** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 27 | **Changes in Inventories of Stock In Trade** | | |
| | Opening Balance | 2,102.72 | 1,305.20 |
| | Closing Balance | 1,977.28 | 2,102.72 |
| | | **125.44** | **(797.52)** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 28 | **Employee benefits expenses** | | |
| | Salaries and wages | 72.87 | 128.01 |
| | Staff welfare expenses | 0.14 | - |
| | | **73.00** | **128.01** |

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 29 | **Depreciation and amortisation** | | |
| | Depreciation on property and equipment | 1.94 | 2.00 |
| | | **1.94** | **2.00** |

*(This space has been intentionally left blank)*

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| 30 | **Other expenses** | | |
| | Losses on sale of Investments | - | 980.49 |
| | Losses on Derivative Transactions | - | 22.25 |
| | Legal and professional charges | 10.00 | 10.45 |
| | Auditors' remuneration | 16.05 | 18.92 |
| | Travelling and conveyance | 1.25 | 0.53 |
| | Power and fuel | 0.54 | 1.58 |
| | Office maintenance | 0.88 | - |
| | Rent expenses | 3.15 | 3.00 |
| | Fee and subscription | 8.61 | 5.32 |
| | Repair and maintenance | 1.56 | 2.01 |
| | Communication | 0.49 | 0.87 |
| | Corporate social responsibility expenses# | - | 50.00 |
| | Business promotion | 0.62 | 1.43 |
| | Printing and stationery | 0.28 | - |
| | Bank charges | 0.05 | 0.07 |
| | Advertisment and publicity | 1.38 | 0.71 |
| | Insurance | 1.39 | 4.64 |
| | Bad Debts | 0.51 | - |
| | Miscellaneous expenses | 0.05 | 2.32 |
| | Diminution in Value of Investment | 3.81 | - |
| | Diminution in Value of Inventories | 4.94 | 3.84 |
| | | **55.58** | **1,108.43** |

**31 Income tax expense**

**Income tax expense recognised in Statement of profit and loss**

| **Particulars** | **For the year ended 31 March 2020** | **For the year ended 31 March 2019** |
|---|---|---|
| ***Current tax*** | | |
| In respect of the current year | 135.00 | 71.00 |
| In respect of earlier years | 133.89 | - |
| | **268.89** | **71.00** |
| ***Deferred tax credit*** | | |
| In respect of the current year | (171.36) | (34.36) |
| | **(171.36)** | **(34.36)** |

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-

| **Particulars** | **For the year ended 31 March 2020** | **For the year ended 31 March 2019** |
|---|---|---|
| Profit before tax | (179.75) | (948.17) |
| Domestic tax rate | 25.17 | 27.55 |
| **Expected tax expense [A]** | **(45.24)** | **(261.22)** |
| Tax impact of expenses which will never be allowed | - | (64.67) |
| Tax impact on items exempt under income tax | - | - |
| Dividend income | - | (0.41) |
| Income chargeable under capital gain (difference of tax rates) | (3.74) | (270.15) |
| Others | (139.03) | 37.37 |
| **Total adjustments [B]** | **(142.77)** | **(297.86)** |
| **Actual tax expense [C=A-B]** | **97.53** | **36.64** |
| Tax expense comprises: | | |
| Current tax expense | 268.89 | 71.00 |
| Deferred tax credit | (171.36) | (34.36) |
| **Tax expense recognized in profit or loss [D]** | **97.53** | **36.64** |

*With introduction of Taxation Laws (Amendment) Ordinance 2019, where section 115 BAA was introduced in the income tax act, 1961 proposing option to compute income tax liability at revised taxation rates, the Company has elected to exercise the option and thereby the applicable tax rates have reduced from 27.55 % to 25.17 %. The tax expense for the current financial year 2019-20 has been computed considering the revised tax provisions.

*(This space has been intentionally left blank)*

## 32 Earnings per share

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **a) Net profit after tax for the period** | (277.28) | (984.81) |
| **b) Number of equity shares** | | |
| Opening number of equity shares at the beginning of the period | 257.44 | 257.44 |
| Closing number of equity shares at the end of the period | 257.44 | 257.44 |
| Weighted average number of equity shares | 257.44 | 257.44 |
| **c) Earnings per equity share** | | |
| Basic | (1.08) | (3.83) |
| Diluted | (1.08) | (3.83) |

## 33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting period | Nil | Nil |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period | Nil | Nil |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | Nil | Nil |
| (iv) The amount of interest due and payable for the period of delay in making payment | Nil | Nil |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting period | Nil | Nil |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | Nil | Nil |

*(This space has been intentionally left blank)*

**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**34** Provision for retirement benefits under the Payment of Gratuity Act and Provident Fund Act have not been made as the said act are not applicable to the company on account of the company having less than the required number of employees.

**35** Contingent Liability - Rs. Nil (Previous Year Rs. Nil).

**36** The company has filed legal suits against 5 customers for recovery of Loan and advances amounting to Rs. 11.47 crores (Previous year Rs. 11.47 crores). Since the loans and advances are fully secured, the company does not foresee any liability against it. The required provision on the aforesaid loans and advances has been made in the books of account as on 31st March' 2020 as per RBI guidelines.

**37** Estimated amount of contracts remaining to be executed on capital account Rs. Nil (Previous Year Rs. Nil).

**38 SEGMENT REPORTING**

Ind AS - 108 on 'Segment Reporting' became applicable during the current year. The Company is engaged in financing by way of loans and sale of property. The Company does not have any reportable geographic segment. The Revenues profit and assets from the reportable business segment in terms of Ind AS - 108 on 'Segment Reporting' as notified by the Companies (Accounting Standards) Rules 2006 are as given below:

| **1 Segment Revenue:** | **(In Rs.) For the Year Ended 31st March 2020** | **(In Rs.) For the Year Ended 31st Mar 2019** |
|---|---|---|
| (a) NBFC Business | 755.87 | 549.59 |
| (b) Property Trading | 336.40 | 405.40 |
| (c) Others | 65.17 | 24.79 |
| **Total Income** | **1,157.44** | **979.79** |

| **2 Segment Results:** | **(In Rs.) For the Year Ended 31st March 2020** | **(In Rs.) For the Year Ended 31st Mar 2019** |
|---|---|---|
| (Profit before tax and interest from each segment) | | |
| (a) NBFC Business | (455.88) | (1,253.47) |
| (b) Property Trading | 210.96 | 280.51 |
| (c) Others | 65.17 | 24.79 |
| **Total Profit Before Tax** | **(179.75)** | **(948.17)** |

| **3 Segment Assets:** | **(In Rs.) For the Year Ended 31st March 2020** | **(In Rs.) For the Year Ended 31st Mar 2019** |
|---|---|---|
| (a) NBFC Business | 8,608.85 | 9,178.58 |
| (b) Property Trading | 3,117.16 | 2,016.32 |
| (c) Unallocated | 60.61 | 1,772.02 |
| **Total Segment Assets** | **11,786.62** | **12,966.92** |
| **Segment Liabilities:** | | |
| (a) NBFC Business | 4,063.45 | 3,951.69 |
| (b) Property Trading | 285.23 | 63.00 |
| (c) Unallocated | 10.10 | 1,247.09 |
| **Total Segment Liabilities** | **4,358.78** | **5,261.78** |

**39 DISCLOSURE AS PER INDIAN AS-24 "RELATED PARTY DISCLOSURE"**

As per Ind AS-24 issued by the Institute of Chartered Accountants of India the following are related parties:

**Key Managerial Personnel**

| | |
|---|---|
| Mr. Sharad Saluja | Managing Director till 30.10.19 |
| Mr. Kuldeep Saluja | Director & Relative of Mr. Sharad Saluja |
| Mr. Vivek Chaturvedi | Managing Director from 01.11.19 |

**Subsidiary Company**

Atul Agro Pvt. Limited
OJAS Suppliers Limited

**Companies/Persons in which Key Management Personnel and Relatives of Key Managerial Personnel have control:**
**Name of the Company:**

Sterling Agro Industries Ltd.
Narayani Dealers Pvt. Ltd.
V. M. Estate Pvt. Ltd.
Kailashwati Buildcon Pvt. Ltd
Vinay Packaging (India) Pvt. Ltd
Kesar Builders Pvt. Ltd.
VRS Estate Pvt. Ltd.
Vinay Homes Pvt. Ltd.
VM Real Estates Pvt. Ltd.
KRSKA Capital Pvt. Ltd. (Previously known as Rajindra Hire Purchase & Leasing Co. Pvt. Ltd.)
Vinay Real Estate Pvt. Ltd.
KRSKA Estates LLP
Bluemoon Homez LLP
LNK Builders LLP
Mrs. Raman Saluja (Wife of Mr. Kuldeep Saluja)

**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

The company has entered into the following related party transactions. Such parties and transactions have been identified as per Accounting Standard 18 "Related Party Disclosures' issued by the Institute of Chartered Accountants of India.

| Name of Related Party | Relation | Nature of Transaction | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|---|---|---|---|---|
| Mr. Sharad Saluja | Key Managerial Personnel | Remuneration | 49.00 | 102.00 |
| | | Reimbursement of Expense | 4.91 | - |
| Mrs. Raman Saluja | Relative of Key Managerial Personnel | Rent paid | 3.00 | 3.00 |
| Mr. Vivek Chaturvedi | Key Managerial Personnel | Remuneration | 5.44 | 4.62 |
| Atul Agro Pvt. Limited | Subsidiary Company | Loan given | - | 0.58 |
| | | Loan receipt | 107.17 | 0.44 |
| | | Loan repaid | 60.20 | - |
| | | Interest expenses | 2.03 | |
| | | Interest Income | 1.68 | 7.26 |
| OJAS Suppliers Limited | Subsidiary Company | Loan taken | 2,633.00 | 385.00 |
| | | Loan repaid | 1,148.55 | 1,260.39 |
| | | Interest Expenses | 205.49 | 166.80 |
| V. M. Estate Pvt. Ltd | Under Control of Key Managerial Personnel and relatives | Loan taken | - | 5.35 |
| | | Loan Repaid | 0.05 | 0.35 |
| | | Interest Expenses | 0.45 | 0.01 |
| VM Real Estates Pvt. Ltd. | Under Control of Key Managerial Personnel and relatives | Loan taken | 11.00 | - |
| | | Loan Repaid | 0.10 | - |
| | | Interest Expenses | 0.98 | - |
| Kailashwati Buildcon Pvt. Ltd | Under Control of Key Managerial Personnel and relatives | Reimbursement of Expense | 0.02 | - |
| | | Loan Given | - | 2.84 |
| | | Loan repaid | - | 2.84 |
| | | Interest income | - | 0.06 |
| Vinay Packaging (India) Pvt. Ltd | Under Control of Key Managerial Personnel and relatives | Loan Given | - | 0.50 |
| | | Loan repaid | 55.60 | 1.15 |
| | | Interest income | 1.48 | 7.03 |
| | | Loan Taken | 40.81 | - |
| | | Interest Paid | 2.61 | - |
| VRS Estate Pvt. Ltd. | Under Control of Key Managerial Personnel and relatives | Loan taken | - | 43.76 |
| | | Loan Repaid | - | 10.36 |
| | | Interest Expenses | - | 3.80 |
| Vinay Homes Pvt. Ltd. | Under Control of Key Managerial Personnel and relatives | Loan Given | 3.33 | - |
| | | Loan repaid | 162.57 | 20.49 |
| | | Interest income | 12.47 | 32.15 |
| KRSKA Capital Pvt. Ltd. (Previously known as Rajindra Hire Purchase & Leasing Co. Pvt. Ltd.) | Under Control of Key Managerial Personnel and relatives | Loan given | 1,306.00 | - |
| | | Loan receipt | 395.88 | - |
| | | Interest Income | 38.87 | - |
| | | Interest Expense | - | 106.36 |
| | | Loan Taken | - | 2,327.00 |
| | | Loan repaid | - | 1,790.64 |
| Bluemoon Homez LLP | Under Control of Key Managerial Personnel and relatives | Loan Given | 250.00 | - |
| | | Loan repaid | 252.13 | - |
| | | Interest income | 2.13 | - |
| LNK Builders LLP | Under Control of Key Managerial Personnel and relatives | Loan Given | 241.00 | - |
| | | Loan repaid | 1.81 | - |
| | | Interest income | 18.08 | - |
| KRSKA Estates LLP | Under Control of Key Managerial Personnel and relatives | Loan Given | 70.00 | - |
| | | Loan repaid | 70.41 | - |
| | | Interest income | 0.41 | - |

**BALANCE OUTSTANDING**

**(Amount in lacs)**

| Name of the Company | Nature | As at 31.03.2020 | As at 31.03.2019 |
|---|---|---|---|
| Atul Agro Pvt. Limited | Receivable | 106.90 | 55.50 |
| OJAS Suppliers Limited | Payable | 3,434.98 | 1,745.04 |
| V. M. Estate Pvt. Ltd. | Payable | 5.45 | 5.01 |
| VM Real Estates Pvt. Ltd. | Payable | 11.88 | - |
| Kailashwati Buildcon Pvt. Ltd | Receivable | - | - |
| Vinay Packaging (India) Pvt. Ltd | Receivable | - | 53.00 |
| | Payable | 43.01 | - |
| VRS Estate Pvt. Ltd. | Payable | - | 67.42 |
| Vinay Homes Pvt. Ltd. | Receivable | 81.22 | 228.00 |
| KRSKA Capital Pvt. Ltd. (Previously known as | Payable | 948.98 | 1,111.58 |
| LNK Builders LLP | Receivable | 257.27 | - |
| Mr. Sharad Saluja | Payable/(Receivable) | - | 73.23 |
| Bluemoon Homez LLP | Payable/(Receivable) | - | - |
| KRSKA Estates LLP | Payable/(Receivable) | - | - |
| Mrs. Raman Saluja | Payable | - | 0.23 |

**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**40 AUDITOR REMUNERATION (EXCLUDING GST)**

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|---|---|
| Statutory Audit Fees | 8.80 | 10.23 |
| Limited Review Fees | 3.60 | 4.80 |
| Tax Audit Fees | 0.80 | 1.00 |
| Certification Expenses | 0.40 | - |

**41** As per Section 135 of the Companies Act 2013 the Company is required to spend in every financial year at least two per cent of the average net profits of the company made during the three immediately preceding financial years on corporate social responsibility (CSR) activities. Accordingly the company was required to spend Rs 15.59 lacs (including Rs 11.17 lacs till 2018-19) during the current financial year. The Company is in the process of undertaking projects related to CSR. The CSR committee has been examining and evaluating suitable projects for deployment of funds. During the current year, the company has contributed the following sums towards CSR initiatives.

| **Amount Spent during the year :** | **Total spent in 19-20 (In Rs.)** | **Total spent in 18-19 (In Rs.)** |
|---|---|---|
| Education related expenses | - | 50 |

**42 Movement in Provisions**

| Particulars | | | As at 1st April 2019 | Movement in Provisions | As at 31st March 2020 |
|---|---|---|---|---|---|
| Provision against receivables under financing activities | | | | | |
| Sub-standard Assets | | | | | |
| | Current | | - | - | - |
| | Non-current | | **614.94** | **741.07** | **1,356.01** |

**43** Sundry debtors and Loans and Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statement.

**44** Debit and Credit Balances outstanding in the accounts of some of the parties are subject to confirmation/reconciliation.

**45 Previous year figures**
Figures of the previous year have been regrouped /reclassified wherever considered necessary to confirm to current year classification.

## 46 Fair value measurements

### A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

| Particulars | Note | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **Financial assets measured at fair value** | | | |
| Investments measured at fair value through profit and loss | Note-8 | 965.98 | 977.46 |
| **Financial assets measured at amortised cost** | | | |
| Cash and cash equivalents | Note-5 | 10.76 | 1,183.76 |
| Loans | Note-7 | 7,000.28 | 6,272.46 |
| Other financial assets | Note-9 | 1,446.41 | 1,226.80 |
| **Total financial assets** | | **9,423.43** | **9,660.48** |
| | | | |
| **Financial liabilities** | | | |
| Trade payables | Note-14 | 8.86 | 69.76 |
| Borrowings (other than debt securities) | Note-16 | 3,745.75 | 3,267.90 |
| Other financial liabilities | Note-17 | 284.57 | 68.84 |
| **Total financial liabilities** | | **4,039.18** | **3,406.50** |

### B Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**The category used are as follows:**
**Level 1:** Quoted prices (unadjusted) in for identical instruments in active markets;
**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
**Level 3:** Inputs which are not based on observable market data (unobservable inputs).

### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements:

| Particulars | Period | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Investments at fair value through profit and loss** | | | | |
| Mutual funds | 31 March 2020 | 62.18 | - | - |
| | 31 March 2019 | 73.66 | - | - |

### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Carrying value | Fair value | Carrying value | Fair value |
| **Financial assets:** | | | | |
| Cash and cash equivalents | 10.76 | 10.76 | 1,183.76 | 1,183.76 |
| Loans | 7,000.28 | 7,000.28 | 6,272.46 | 6,272.46 |
| Other financial assets | 1,446.41 | 1,446.41 | 1,226.80 | 1,226.80 |
| **Total financial assets** | **8,457.45** | **8,457.45** | **8,683.02** | **8,683.02** |
| | | | | |
| **Financial liabilities:** | | | | |
| Trade payables | 8.86 | 8.86 | 69.76 | 69.76 |
| Borrowings (other than debt securities) | 3,745.75 | 3,745.75 | 3,267.90 | 3,267.90 |
| Other financial liabilities | 284.57 | 284.57 | 68.84 | 68.84 |
| **Total financial liabilities** | **4,039.18** | **4,039.18** | **3,406.50** | **3,406.50** |

The management assessed that fair values of cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Company's fixed interest bearing loan and investment in debt securities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

(ii) The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

**47 Movement in impairment of financial instruments**

a) The following table explains the changes in the loan assets and the corresponding ECL allowance between the beginning and the end of reporting period:

| Particulars | Stage 1 | | Stage 2 | | Stage 3 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Gross amount | 12 months ECL | Gross amount | Lifetime ECL | Gross amount | Lifetime ECL | Gross amount | Lifetime ECL |
| **Balance as at April 1, 2018** | | | | | | | | |
| Transfer to 12 months ECL (Stage 1) | 3,353.69 | - | - | - | - | - | **3,353.69** | **-** |
| Transfer to life time ECL not credit impaired (Stage 2) | - | - | - | - | - | - | **-** | **-** |
| Transfer to Lifetime ECL credit impaired (Stage 3) | - | - | - | - | 2,154.66 | 614.94 | **2,154.66** | **614.94** |
| Additional provision due to change in LGD/PD | - | - | - | - | - | - | **-** | **-** |
| New Financial assets originated or purchased | 1,379.05 | - | - | - | - | - | **1,379.05** | **-** |
| Financial Assets that have been derecognised | - | - | - | - | - | - | **-** | **-** |
| **Balance as at March 31, 2019** | **4,732.74** | **-** | **-** | **-** | **2,154.66** | **614.94** | **6,887.40** | **614.94** |
| | | | | | | | | |
| **Balance as at April 1, 2019** | **4,732.74** | **-** | **-** | **-** | **2,154.66** | **614.94** | **6,887.40** | **614.94** |
| Transfer to 12 months ECL (Stage 1) | - | - | - | - | - | - | **-** | **-** |
| Transfer to life time ECL not credit impaired (Stage 2) | - | - | - | - | - | - | **-** | **-** |
| Transfer to Lifetime ECL credit impaired (Stage 3) | - | - | - | - | - | 741.07 | **-** | **741.07** |
| Provision reversed due to change in LGD/PD | - | - | - | - | - | - | **-** | **-** |
| New Financial assets originated or purchased | 1,468.89 | - | - | - | - | - | **1,468.89** | **-** |
| Financial Assets that have been derecognised | - | - | - | - | - | - | **-** | **-** |
| **Balance as at December 31, 2019** | **6,201.63** | **-** | **-** | **-** | **2,154.66** | **1,356.01** | **8,356.29** | **1,356.01** |

Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'.

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 = 3-4 | 6 | 7 = 4-6 |
| (a) Performing Assets | | | | | | |
| Standard | Stage 1 | 6,201.63 | - | 6,201.63 | 32.46 | (32.46) |
| | Stage 2 | - | - | - | - | - |
| Subtotal (a) | | 6,201.63 | - | 6,201.63 | 32.46 | (32.46) |
| | | | | | | |
| (b) Non-Performing Assets | | | | | | |
| (i) Sub-standard | Stage 3 | - | - | - | - | - |
| (ii) Doubtful upto : | | | | | | |
| 1 Year | Stage 3 | - | - | - | - | - |
| 1 to 3 Years | Stage 3 | - | - | - | - | - |
| More than 3 Years | Stage 3 | 2,154.66 | 293.98 | 1,860.68 | 1,323.55 | (1,029.57) |
| Subtotal (ii) | | 2,154.66 | 293.98 | 1,860.68 | 1,323.55 | (1,029.57) |
| (iii) Loss | Stage 3 | - | - | - | - | - |
| Subtotal (b) | | 2,154.66 | 293.98 | 1,860.68 | 1,323.55 | (1,029.57) |
| (c) Other Items | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Total (a) + (b) + (c) | Stage 1 | 6,201.63 | - | 6,201.63 | 32.46 | (32.46) |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | 2,154.66 | 293.98 | 1,860.68 | 1,323.55 | (1,029.57) |
| | Total | **8,356.29** | **293.98** | **8,062.31** | **1,356.01** | **(1,062.03)** |

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till June 30, 2020. However, the government relaxed the lock-down in certain essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India ( RBI ) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for asset classification). Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic.
The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro economic conditions. Based on such assessment, the Company has not made additional expected credit loss provision on account of COVID-19 impact in the financial statement. The impairment loss not provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment provision required under IRACP (including standard asset provisioning) exceeds the provision made under Ind AS 109, as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

## 48 First time adoption of Ind AS

These financial statements, for the twelve month period ended 31 March 2020, are prepared in accordance with Ind AS.
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on 31 March 2020 as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

### A Ind AS optional exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**1 Deemed cost for property and equipment**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property and equipment at their previous GAAP carrying value.

**2 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

### B Ind AS mandatory exceptions

**1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at transition date are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as this was not required under previous GAAP .

**2 Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

### C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**1 Reconciliation of total equity**

| | 31 March 2019 | 1 April 2018 |
|---|---|---|
| Equity as reported under Previous GAAP | 5,130.73 | 6,115.54 |
| **Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :** | - | - |
| **Profit after tax as reported under Ind AS** | 5,130.73 | 6,115.54 |
| Other Comprehensive Income / (loss) (net of tax) | - | - |
| **Total Comprehensive Income (after tax) as reported under Ind AS** | 5,130.73 | 6,115.54 |

**2 Reconciliation of total comprehensive income for the period**

| | 31 March 2019 |
|---|---|
| Profit after tax as reported under Previous GAAP | (984.81) |
| **Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :** | - |
| **Profit after tax as reported under Ind AS** | (984.81) |
| Other Comprehensive Income / (loss) (net of tax) | - |
| **Total Comprehensive Income (after tax) as reported under Ind AS** | (984.81) |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effects has been given for transition adjustments.

*(This space has been intentionally left blank)*

**Acme Resources Limited**
**Notes to the standalone financial statements for the period ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**Note - 1**
**Financial assets and liabilities accounted for at amortised cost**
Under previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest / amortisation cost method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

**Note - 2**
**Borrowings**
Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

**Note - 3**
**Loan Assets**
Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss. Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

**Note - 4**
**Advances**
Under previous GAAP, advances were initially recognised at transaction price. Subsequently, finance income was recognised based on contractual terms, if any. Under Ind AS, such advances are initially recognised at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

**Note - 5**
**Impairment of loan assets**
Under previous GAAP, the Company has created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined based on expected credit loss ('ECL') model .

**Note - 6**
**Financial instruments carried at fair value through profit and loss**
Under previous GAAP, investments in equities were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL).

**Note - 7**
**Ind AS 116 Leases**
The Company has adopted Ind AS 116 w.e.f. April 1, 2019 where the Company has recognised right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Company has applied Ind AS 116 using modified retrospective approach, where right-to-use asset is measured equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments existed at the date of transition.

**Note - 8**
**Other Comprehensive income**
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

**Note - 9**
**Tax impact on adjustments**
Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

sd/-
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFE1749

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

sd/-
**Kuldeep Saluja**
Director
DIN No. 00289187

sd/-
**Vivek Chaturvedi**
Managing Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R

# ACME RESOURCES LIMITED

Annexure - I to the

Balance sheet of a Non Deposit taking Non-Banking Financial Company

(Rs. in lakhs)

| | Particulars | | |
|---|---|---|---|
| | Liabilities Side : | | |
| (1) | Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid : | Amount Outstanding | Amount Overdue |
| | (a) Debentures : Secured | NIL | NIL |
| | : Unsecured (Other than falling within the meaning of public deposits) | NIL | NIL |
| | (b) Deferred Credits | NIL | NIL |
| | (c) Term Loans | NIL | NIL |
| | (d) Inter-corporate loans and borrowing | 3,618.75 | NIL |
| | (e) Commercial Paper | NIL | NIL |
| | (f) Other Loans | 411.57 | NIL |
| | Assets side | | |
| | | Amount Outstanding | |
| (2) | Break-up of Loans and Advances including bills receivables [ Other than those included in (4) below ] : | | |
| | (a) Secured | 952.42 | |
| | (b) Unsecured | 7,403.87 | |
| (3) | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities : | | |
| | (i) Lease assets including lease rentals under sundry debtors. | | |
| | (a) Financial Lease | NIL | |
| | (b) Operating Lease | NIL | |
| | (ii) Stock on hire including hire charges under sundry debtors : | | |
| | (a) Assets on hire | NIL | |
| | (b) Repossessed Assets. | NIL | |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | NIL | |
| | (b) Loans other than (a) above | NIL | |

# ACME RESOURCES LIMITED

| | | | |
|---|---|---|---|
| (4) | Break - up of Investments : | | |
| | Current Investments : | | |
| | Quoted : | | |
| | (i) Shares : (a) Equity | NIL | |
| | (b) Preference | NIL | |
| | (ii) Debentures and Bonds | NIL | |
| | (iii) Units of Mutual funds | | 62.18 |
| | (iv) Government Securities | NIL | |
| | (v) Others | NIL | |
| | Unquoted : | | |
| | (i) Shares : (a) Equity | NIL | |
| | (b) Preference | NIL | |
| | (ii) Debentures and Bonds | NIL | |
| | (iii) Units of Mutual funds | NIL | |
| | (iv) Government Securities | NIL | |
| | (v) Others | NIL | |
| | Long Term Investment : | | |
| | Quoted : | | |
| | (i) Share : (a) Equity | | - |
| | (b) Preference | NIL | |
| | (ii) Debentures and Bonds | NIL | |
| | (iii) Units of mutual funds | NIL | |
| | (iv) Government Securities | NIL | |
| | (v) Others | NIL | |
| | Unquoted : | | |
| | (i) Shares : (a) Equity | | 903.80 |
| | (b) Preference | NIL | |
| | (ii) Debentures and Bonds | NIL | |
| | (iii) Units of Mutual funds | NIL | |
| | (iv) Government Securities | NIL | |
| | (v) Others | NIL | |

(5) Borrower group-wise classification of assets financed as in (2) and (3) above

| Category | Amount (Net of provisions) | | |
|---|---|---|---|
| | Secured | Unsecured | Total |
| 1. Related Parties | | | |
| (a) Subsidiaries | NIL | - | - |
| (b) Companies in the same group | NIL | 1,225.00 | 1,225.00 |
| (c) Other related parties | NIL | NIL | NIL |
| 2. Other than related parties | NIL | 7,131.29 | 7,131.29 |
| Total | NIL | 8,356.29 | 8,356.29 |

# ACME RESOURCES LIMITED

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

| Category | Market Value / Break up or fair value or NAV | Book Value ( Net of Provisions ) |
|---|---|---|
| 1. Related Parties | | |
| (a) Subsidiaries | 903.80 | 903.80 |
| (b) Companies in the same group | - | - |
| (c) Other related parties | NIL | NIL |
| 2. Other than related parties (Quoted) | 62.18 | 62.18 |
| Total | 965.98 | 965.98 |

(7) Other Information

| | Particulars | Amount (In Lacs) |
|---|---|---|
| ( i ) | Gross Non-Performing Assets | |
| | (a) Related parties | NIL |
| | (b) Other than related parties | 2154.66 |
| ( ii ) | Net Non-Performing Assets | |
| | (a) Related parties | NIL |
| | (b) Other than related parties | 831.11 |
| ( iii ) | Assets acquired in satisfaction of debt | 1745.00 |

**Independent Auditors' report**

**To the Board of Directors of Acme Resources Limited**

**Opinion**

We have audited the accompanying consolidated financial statements of Acme Resources Limited (the Holding company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the group") as described in Note no. 48 of Notes which comprise the consolidated balance sheet as at 31st March 2020, and the consolidated statement of profit & loss account and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated loss and its consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 matters to be communicated in our report.

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Identification and provisioning of Non-performing assets**<br><br>Refer note 3.4 for significant accounting policy and notes 6 and 47 for the financial disclosures.<br><br>As at 31st March, 2020, the company has reported total loans and advances towards financing activity of Rs. 10,869.55 lacs, gross NPAs of Rs. 3079.27 lacs and provision for non-performing assets of Rs. 2284.72 lacs.<br><br>The Company is required to comply with Master Direction – Non-Banking Financial company- Non-systemically Important Non-deposit taking company (Reserve Bank) Directions, 2016 ('RBI prudential norms') for the asset classification and recognition of provision. The RBI prudential norms prescribe provisioning requirements to be complied with based on number of days on credit facilities remains overdue.<br><br>Further, the RBI prudential norms also require that the management, apart from recognizing a time-based provision also carries out periodical credit reviews on loans which demonstrate credit weakness in order to recognize provision over and above the time-based provisions prescribed under the RBI prudential norms.<br><br>Considering the significance of the above matter to the financial statements, the judgements involved and significant auditor attention required to test identification and provision of NPAs, we have identified this as a key audit matter for current year audit. | Our audit procedures included, but were not limited to, the following:<br><br>Testing the design, implementation and operating effectiveness of the key controls relating to sanctioning of loans, periodic internal reviews by Asset Liability Management committee, identification of NPAs and calculation of the provision.<br><br>Testing the classification of loan balances in accordance with RBI prudential norms as standard assets and NPAs for a sample of loan accounts.<br><br>Verifying the completeness and accuracy of the underlying data used for calculation performed by management to comply with the RBI prudential norms.<br><br>Re-performing the credit reviews to ascertain the efficacy of the reviews conducted by the management.<br><br>On a sample basis, tested the ageing by tracing the transactions in the customer accounts to the underlying documents and recoverability of loan portfolio.<br><br>Assessing the appropriateness and adequacy of disclosures against relevant accounting standards and RBI prudential norms relating to NPAs.<br><br>Based on above procedure, we opined that provision made against loans and advances as on balance sheet date is adequate. |

**Other Information**

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

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

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated Balance Sheet, consolidated statement of profit & loss account and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associate to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

  We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

  We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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**

In respect of the financial statements of 2 subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our

opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditors. The details of assets, revenues and net cash flows in respect of these subsidiaries, to the extent to which they are reflected in the consolidated financial statements are given below:

**Audited by other auditors:** **Figures (In lacs)**

| Name of the Subsidiaries | Total Assets | Total Revenues | Net cash inflows /(outflows) |
|---|---|---|---|
| Ojas Suppliers Limited | 5,939.96 | 385.05 | 0.78 |
| Atul Agro Pvt. Ltd. | 116.58 | 114.74 | 0.34 |

**Report on other legal and regulatory Requirements**

As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the "Other Matter" paragraph we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated balance sheet, Consolidated statement of profit and loss, and consolidated cash flow statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the holding company and its subsidiary companies, incorporated in india, refer to our separate report in "annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Note 36 to the consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**For T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No. 06711N/N500028
sd/-
**(Aashish Gupta)**
Partner
**Membership No. 097343**
**UDIN No - 20097343AAAAFG6147**

**Place: New Delhi**
**Date: 29th June 2020**

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ACME RESOURCES LIMITED**

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

In conjunction with our audit of the consolidated financial statements of Acme Resources Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Acme Resources limited (hereinafter referred to as the "holding company") and its subsidiaries company, which is company incorporated in india, as of that date.

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

The respective Board of directors of the holding company and the Group, which are company incorporated in india, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the holding company considering the essential components of internal control stated in the Guidance note on audit of Internal Financial controls over Financial reporting issued by the institute of chartered accountants of india. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

**Auditor's 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, both, issued by the Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding company and "the group", which are companies incorporated in india, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the holding 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.

**Other Matters**

Our report under Section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the holding company, insofar as it relates to the Group, which are companies incorporated in india, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in india.

**For T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No. 06711N/N500028

sd/-
**(Aashish Gupta)**
Partner
**Membership No. 097343**
**UDIN No - 20097343AAAAFG6147**

**Place: New Delhi**
**Date: 29th June 2020**

**Acme Resources Limited**

**Consolidated Balance Sheet as at 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

| | Note | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | 4 | 22.94 | 1,204.57 | 56.22 |
| Receivables - Trade Receivables | 5 | - | 0.51 | 0.74 |
| Loans | 6 | 8,584.83 | 9,260.66 | 6,972.03 |
| Investments | 7 | 492.18 | 503.66 | 2,969.74 |
| Other financial assets | 8 | 1,770.60 | 1,471.82 | 2,499.41 |
| **Non-financial assets** | | | | |
| Inventories | 9 | 1,972.34 | 2,102.72 | 1,305.20 |
| Current tax assets (net) | 10 | 97.22 | 508.43 | 546.29 |
| Deferred tax assets (net) | 11 | 584.80 | 437.29 | 393.39 |
| Property and equipment | | | | |
| Tangible assets | 12 | 59.02 | 133.92 | 139.07 |
| Other non-financial assets | 13 | 0.36 | 0.91 | 0.82 |
| **Total Assets** | | **13,584.28** | **15,624.49** | **14,882.90** |
| **LIABILITIES AND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| **Financial liabilities** | | | | |
| Payables | | | | |
| Trade payables | | | | |
| total outstanding dues of micro enterprises and small enterprises | 14 | - | - | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 14 | 9.21 | 71.67 | 132.58 |
| Borrowings (other than debt securities) | 15 | 484.79 | 1,767.73 | 1,076.60 |
| Other financial liabilities | 16 | 299.54 | 76.12 | 306.38 |
| **Non-financial liabilities** | | | | |
| Current tax liabilities (net) | 17 | 7.50 | 85.79 | 76.63 |
| Other non-financial liabilities | 18 | 321.04 | 1,227.10 | 43.70 |
| **EQUITY** | | | | |
| Equity share capital | 19 | 2,574.40 | 2,574.40 | 2,574.40 |
| Other equity | 20 | 9,882.18 | 9,820.13 | 10,671.08 |
| Non-controlling Interest | | 5.61 | 1.55 | 1.53 |
| **Total Liabilities and Equity** | | **13,584.28** | **15,624.49** | **14,882.90** |

The accompanying notes form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**SD/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFG6147

**Place : New Delhi**
**Date : 29th June 2020**

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

sd/-
**Kuldeep Saluja**
Director
DIN No. 00289187

sd/-
**Vivek Chaturvedi**
Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R

**Acme Resources Limited**

**Consolidated Statement of Profit and Loss for the Year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

| | Note | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 21 | 1,088.04 | 668.28 |
| Sale of Property | 22 | 336.40 | 178.40 |
| Net gain on financial instruments through FVTPL | 23 | 36.78 | - |
| **Total revenue from operations** | | **1,461.22** | **846.68** |
| Other income | 24 | 196.01 | 277.97 |
| **Total income** | | **1,657.23** | **1,124.65** |
| **Expenses** | | | |
| Finance costs | 25 | 350.37 | 251.97 |
| Impairment on financial instruments | 26 | 745.17 | 157.88 |
| Purchase of Stock in Trade | | - | 936.47 |
| Change in Inventories of Stock-in-Trade | 27 | 125.44 | (797.52) |
| Employee benefits expenses | 28 | 82.03 | 138.40 |
| Depreciation and amortisation | 29 | 19.67 | 24.49 |
| Other expenses | 30 | 65.92 | 1,167.66 |
| **Total expenses** | | **1,388.59** | **1,879.35** |
| **Profit before tax** | | **268.64** | **(754.70)** |
| **Tax expenses** | | | |
| Current tax | | 215.68 | 140.40 |
| Tax in respect of earlier years | 31 | 134.38 | 0.07 |
| Deferred tax charge/(credit) | | (147.52) | (44.24) |
| **Total tax expense** | | **202.54** | **96.24** |
| **Profit for the period** | | **66.10** | **(850.94)** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement (losses)/gains on defined benefit plans | | - | - |
| Income tax relating to above item | | - | - |
| **Other comprehensive (loss)/ income** | | **-** | **-** |
| **Total comprehensive income for the year** | | **66.10** | **(850.94)** |
| **Net profit attributable to:** | | | |
| Equity holders of the parent | | 62.04 | (850.95) |
| Non-controlling interests | | 4.06 | 0.01 |
| **Other comprehensive income attributable to:** | | | |
| Equity holders of the parent | | - | - |
| Non-controlling interests | | - | - |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the parent | | 62.04 | (850.95) |
| Non-controlling interests | | 4.06 | 0.01 |
| **Earnings per equity share:** | | | |
| Basic (₹) | 32 | 0.26 | (3.31) |
| Diluted (₹) | | 0.26 | (3.31) |

The accompanying notes form an integral part of these financial statements
This is the statement of profit and loss referred to in our report of even date

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**sd/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFG6147

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

**sd/-**
**Kuldeep Saluja**
Director
DIN No. 00289187

**sd/-**
**Vivek Chaturvedi**
Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R

**Place : New Delhi**
**Date : 29th June 2020**

**Acme Resources Limited**

**Consolidated Statement of Cash Flow for the Year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | **Net profit before tax** | 268.64 | (754.70) |
| | **Adjustments for :** | | |
| | Impairment on financial instruments | 745.17 | 157.88 |
| | Diminution in Value of Inventories | 4.94 | 3.84 |
| | Depreciation and amortizarion | 19.67 | 24.49 |
| | Interest Paid on loans | 350.37 | 251.97 |
| | **Operating profit before working capital changes** | 1,388.78 | (316.51) |
| | **Working capital changes:** | | |
| | Decrease/ (increase) in loans | (1,420.99) | (1,652.67) |
| | Decrease/ (Increase) in other financial assets | (298.78) | 1,027.59 |
| | Decrease/ (increase) in other non-financial assets | 0.55 | (0.09) |
| | Decrease/ (increase) in trade receivables | 0.54 | 0.23 |
| | (Decrease)/increase in trade payables | 62.46 | 60.91 |
| | (Decrease)/increase in other financial liabilities | (223.42) | 230.26 |
| | Increase/ (decrease) in other non-financial liabiities | 936.70 | (1,183.40) |
| | Decrease/ (increase) in inventory | 130.38 | (797.52) |
| | | **576.21** | **(2,631.20)** |
| | Net income tax paid | (338.02) | (37.86) |
| | **Net cash generated from/(used in) operating activities** | **238.19** | **(2,669.06)** |
| **B** | **Cash flow from investing activities :** | | |
| | Net proceeds of investments | 11.48 | 2,466.08 |
| | Purchase of property and equipment | (0.57) | (1.92) |
| | Sale of fixed assets | - | - |
| | **Net cash generated from/(used in) investing activities** | **10.91** | **2,464.16** |
| **C** | **Cash flow from financing activities :** | | |
| | Proceeds from borrowings other than debt securities | 1,282.94 | (691.13) |
| | Interest paid | (350.37) | (251.97) |
| | **Net cash (used in)/generated from financing activities** | **932.57** | **(943.11)** |
| **D** | **Net (increase)/decrease in cash and cash equivalents (A+B+C)** | 1,181.68 | (1,148.01) |
| **E** | **Cash and cash equivalents at the beginning of the period** | 1,204.57 | 56.22 |
| **F** | **Cash and cash equivalents at the end of the period ( D + E )** | **22.94** | **1,204.57** |
| | **Notes:** | | |
| | **Cash and cash equivalents as at the end of the period include:** | | |
| | Cash on hand | 6.23 | 4.89 |
| | Balances with scheduled banks: | | |
| | in current accounts | 16.71 | 20.25 |
| | Cheques in Hand | - | 1,179.43 |
| | **Cash and cash equivalents as at the end of the period (refer note 4)** | **22.94** | **1,204.57** |

The accompanying notes form an integral part of these financial statements
**This is the Cash Flow Statement referred to in our report of even date**

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**sd/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFG6147

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

sd/-
**Kuldeep Saluja**
Director
DIN No. 00289187

sd/-
**Vivek Chaturvedi**
Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R

**Place : New Delhi**
**Date : 29th June 2020**

**Acme Resources Limited**

**Consolidated Statement of Changes in Equity for the Year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

**A Equity share capital**

| Particulars | Balance as at 1 April 2018 | Changes during the year | Balance as at 31 March 2019 | Changes during the period | Balance as at 31 March |
|---|---|---|---|---|---|
| Equity share capital | 2,574.40 | - | 2,574.40 | - | 2,574.40 |
| | **2,574.40** | **-** | **2,574.40** | **-** | **2,574.40** |

**B Other equity**

| Particulars | Reserves and Surplus | | | | | Total |
|---|---|---|---|---|---|---|
| | Statutory reserves as per Section 45-IC of the RBI Act,1934 | Securities premium | Retained earnings | Capital Reserve on Consolidation | General Reserve | |
| **Balance as at 1 April 2018** | **1,570.32** | **3,800.67** | **2,329.69** | **2,965.59** | **4.81** | **10,671.08** |
| Profit / (Loss) for the period | - | - | (850.95) | - | - | **(850.95)** |
| Other comprehensive income for the year before income tax | - | - | - | - | - | - |
| Transfer to statutory reserve fund | 24.79 | - | (24.79) | - | - | - |
| Less: Income tax on other comprehensive income | - | - | - | - | - | - |
| **Balance as at 31 March 2019** | **1,595.11** | **3,800.67** | **1,453.95** | **2,965.59** | **4.81** | **9,820.13** |
| | | | | | | |
| **Balance as at 1 April 2019** | **1,595.11** | **3,800.67** | **1,453.95** | **2,965.59** | **4.81** | **9,820.14** |
| Profit / (Loss) for the period | - | - | 62.04 | - | - | **62.04** |
| Other comprehensive (loss) for the year before income tax | - | - | - | - | - | - |
| Transfer to statutory reserve fund | - | - | - | - | - | - |
| Less: Income tax on other comprehensive income | - | - | - | - | - | - |
| **Balance as at 31 March 2020** | **1,595.11** | **3,800.67** | **1,515.99** | **2,965.59** | **4.81** | **9,882.18** |

The accompanying notes form an integral part of these financial statements

**This is the Statement of Changes in Equity referred to in our report of even date**

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

**sd/-**
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFG6147

**For and on behalf of the Board of Directors**
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DIN No. 00289187

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DIN No. 08027097

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Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R

**Place : New Delhi**
**Date : 29th June 2020**

# ACME RESOURCES LIMITED

**For the year ended 31st March 2020**

**1 CORPORATE INFORMATION**

The Parent Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 to carry on business as a Non Banking Financial Institution without accepting public deposits. The Parent Company is in the business of providing Short term/ Long term loans and advances to borrowers. The registered office of the company is located at 984, 9th Floor, Aggarwal Cyber Plaza – II, Netaji Subhash Place, Pitampura, New Delhi - 110034

**BASIS OF PREPARATION**

**2 Basis of preparation of Consolidated Financial Statements**

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/ 22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting except in case of significant uncertainties. The Consolidated financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company.
The consolidated financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

**2.1 Presentation of Consolidated financial statements**

The Group Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Group Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

**Critical accounting estimates and judgments**

The preparation of the Group Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those based on Management's estimates. Accounting estimates and judgments are used in various line items in the financial statements for e.g. :
I Fair value of financial instruments [Refer note no. 3.15 and 46]
II Impairment of financial assets [Refer note no. 3.4(i), 6 and 47]
III Provisions and contingent liabilities [Refer note no. 3.11 and 35]
IV Provision for tax expenses [Refer note no. 3.7 and 31]

**Estimation of impairment allowance on financial assets amidst COVID-19 pandemic**

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Group believes that the factors considered are reasonable under the current circumstances. The Group has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

**2.2 Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

The Parent Company holds the entire shareholding in its subsidiaries and there are no contractual arrangements which rebute the control of the Parent Company over its subsidiaries.
The financial statements of subsidiaries acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**3 Summary of significant accounting policy**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**3.1 Income**

**(i) Interest Income**

The Group Company recognises interest income using effective interest rate (EIR). Overdue interest in respect of loans is recognized upon realisation.

**(ii) Sale of Property**

In case of Plots/Flats, The Group Company recognises revenue when it determines the satisfaction of performance obligations at a point in time and subsequently over time when the Company has enforceable right for payment for performance completed to date. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products.

**(iii) Dividend income**

Dividend income on equity shares is recognised when the Group Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(iv) Income from Investments**

Profit /(Loss) from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

**(v) Rental income**

Lease rental income is recognised in the statement of profit and loss on straight line basis over the period of lease.

**(vi) Other operating income**

The Group Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

**3.2 Expenditures**

**(i) Finance Cost**

Borrowing costs on financial liabilities are recognised using the EIR.

**(ii) Other expenses**

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

**3.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**3.4 Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

**(i) Financial Assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity instruments, trade receivables and cash and cash equivalents.

**Initial measurement**

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless proved to the contrary.

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets classified as Equity instruments designated under FVOCI as per the Company's Board approved policy.

Equity investments designated under FVOCI

All equity investments in scope of Ind AS 109 'Financial instruments' are measured at fair value. The Group Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

**Derecognition of financial assets**

The Group Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:
i) The right to receive cash flows from the asset has expired; or
ii) The Group Company has transferred its right 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 an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

On derecognition of a financial asset in its entirety, the difference between:

i) the carrying amount (measured at the date of derecognition) and

ii) the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Group Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and/or infrequent transaction of sale of portfolio which doesn't affect the business model of the Group Company.

**Reclassification of financial assets**

The Group Company changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

**Impairment of financial assets**

ECL are recognised for financial assets held under amortised cost and certain loan commitments as per the Board approved policy.

Financial assets where no significant increase in credit risk has been observed are considered to be in ‘stage 1’ for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in ‘stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in ‘stage 3’. Life time ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument (‘lifetime ECL’).

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery.

**Treatment of the different stages of financial assets and the methodology of determination of ECL**

(a) Credit impaired (stage 3)

The Group Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether :

i) Contractual payments of either principal or interest are past due for more than 90 days;
ii) The loan is otherwise considered to be in default

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation of period, typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.
Interest income is recognised by applying the effective interest rate to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower’s frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Group Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Group Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

i) Determination of PD is covered above for each stages of ECL.
ii) EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
iii) LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group Company recaliberates above components of its ECL model on a periodical basis by using the available incremental and

recent information as well as assessing changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

**(ii) Financial liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entity's own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

**Initial measurement**

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

**Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method [Refer note no 3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

**Derecognition**

The Group Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

**(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**3.5 Investment in subsidiaries**

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as

allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Group Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

**3.6 Inventories**

(i) In the case of quoted shares, inventories have been valued at lower of cost and Net Realizable Value. Unquoted shares have been valued at lower of cost and break-up value.
(ii) In the case of plots and lands, inventories have been valued at lower of cost and market value.

**3.7 Taxes on Income**

**(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**3.8 Property, plant and equipment**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, plant and equipment'.

**Depreciation on property, plant and equipment**

(a) Depreciation is provided on a pro rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on written down value method.

(b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

(c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

(d) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

(e) Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.

(f) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.

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

**3.9 Intangible assets and amortisation thereof**

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**3.10 Impairment of non-financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

**3.11 Provisions and contingent liabilities**

The Group Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**3.12 Retirement Benefits**

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, short-term compensated absences and the expected cost of other benefits is recognized in the period in which the employee renders the related services.

**3.13 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 Group 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 –
(i) increased by interest on lease liability;
(ii) reduced by lease payments made; and
(iii) 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 Group 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 Group.

**3.14 Earning per Share**

In determining basic earning per share, the group company considers the net profits attributable to equity shareholders. The number of shares used in computing basic earning per share is the weighted average number of share outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**3.15 Fair value measurement**

The Group Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Group Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 47 and 48.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**Acme Resources Limited**
**Consolidated Notes to the financial statements for the year ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

| | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|
| **4 Cash and cash equivalents** | | | |
| Cash on hand | 6.23 | 4.89 | 11.97 |
| Balance with banks | | | |
| - Current accounts | 16.71 | 20.25 | 44.25 |
| - Cheques in Hand | - | 1,179.43 | - |
| | **22.94** | **1,204.57** | **56.22** |

| | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|
| **5 Trade Receivables** | | | |
| Unsecured considered good | - | 0.51 | 26.78 |
| Less :- Impairment loss Allowance | - | - | 26.04 |
| | **-** | **0.51** | **0.74** |

| **Particulars** | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|
| **6 Loans (at amortised cost)** | | | |
| **Loans** | | | |
| Secured | 952.42 | 418.84 | 1,032.52 |
| Unsecured | | | |
| Loans to related parties | 1,225.00 | 281.00 | 302.14 |
| Others | 8,692.13 | 10,100.37 | 7,019.03 |
| Less: Impairment loss allowance | 2,284.72 | 1,539.55 | 1,381.67 |
| **Total - net** | **8,584.83** | **9,260.66** | **6,972.03** |
| (a) Secured by tangible assets | 952.42 | 418.84 | 1,032.52 |
| (b) Unsecured | 9,917.13 | 10,381.37 | 7,321.17 |
| **Total - gross** | **10,869.55** | **10,800.21** | **8,353.69** |
| Less: Impairment loss allowance | 2,284.72 | 1,539.55 | 1,381.67 |
| **Total - net** | **8,584.83** | **9,260.66** | **6,972.03** |
| **(a) Loans in India** | | | |
| (i) Public Sector | - | - | - |
| (ii) Others | 10,869.55 | 10,800.21 | 8,353.69 |
| **Total - gross** | **10,869.55** | **10,800.21** | **8,353.69** |
| Less: Impairment loss allowance | 2,284.72 | 1,539.55 | 1,381.67 |
| **Total (a) - net** | **8,584.83** | **9,260.66** | **6,972.03** |

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**Acme Resources Limited**

**Consolidated Notes to the financial statements for the year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

| | | As at 31 March 2020 | | | As at 31 March 2019 | | | As at 1 April 2018 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | At amortised cost | At fair value through profit and loss (FVTPL) | Total | At amortised cost | At fair value through profit and loss (FVTPL) | Total | At amortised cost | At fair value through profit and loss (FVTPL) | Total |
| 7 | **Investments** | | | | | | | | | |
| | Mutual funds | | | | | | | | | |
| | (31 March 2020: 1,687; 31 March 2019: 1,687; 1 April 2018:1,432) units held in Edelweiss Crossover Fund | - | 62.18 | 62.18 | - | 73.66 | 73.66 | - | 27.62 | 27.62 |
| | **Others** | | | | | | | | | |
| | Vipul Limited | | | | | | | | | |
| | 29,87,680 equity shares of Rs. 10 each fully paid up | - | - | - | - | - | - | - | 2,512.11 | 2,512.11 |
| | Sterling Agro Industries Limited | | | | | | | | | |
| | 5,00,000 equity shares of Rs. 86 each fully paid up | 430.00 | - | 430.00 | 430.00 | - | 430.00 | 430.00 | - | 430.00 |
| | **Total gross (A)** | **430.00** | **62.18** | **492.18** | **430.00** | **73.66** | **503.66** | **430.00** | **2,539.74** | **2,969.74** |
| | Aggregate amount of unquoted investment | | - | 430.00 | | - | 430.00 | | - | 430.00 |
| | Investments outside India | - | - | - | - | - | - | - | - | - |
| | Investments in India | 430.00 | 62.18 | 492.18 | 430.00 | 73.66 | 503.66 | 430.00 | 2,539.74 | **2,969.74** |
| | **Total (B)** | **430.00** | **62.18** | **492.18** | **430.00** | **73.66** | **503.66** | **430.00** | **2,539.74** | **2,969.74** |
| | Less: Allowance for impairment loss (B) | | - | **-** | **-** | **-** | **-** | | | **-** |
| | **Total net C= (A)-(B)** | **430.00** | **62.18** | **492.18** | **430.00** | **73.66** | **503.66** | **430.00** | **2,539.74** | **2,969.74** |

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| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 8 | **Other financial assets** | | | |
| | Advance Against Property | 1,228.63 | 1,226.80 | 2,226.80 |
| | Interest Receivables | 540.99 | 244.47 | 257.90 |
| | Salary Advance | 0.27 | - | 13.47 |
| | Security Deposit | 0.55 | 0.55 | - |
| | Other Advances | 0.16 | - | 1.24 |
| | | **1,770.60** | **1,471.82** | **2,499.41** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 9 | **Inventories** | | | |
| | Inventory of Immovable Properties | 1,890.37 | 2,015.81 | 1,204.23 |
| | Inventory of Shares | 81.97 | 86.91 | 100.97 |
| | | **1,972.34** | **2,102.72** | **1,305.20** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 10 | **Current tax assets (net)** | | | |
| | Advance income tax and tax deducted at source (net of provision) | 97.22 | 508.43 | 546.29 |
| | | **97.22** | **508.43** | **546.29** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 11 | **Deferred tax assets (net)** | | | |
| | **Deferred tax assets arising on account of:** | | | |
| | - Timing difference on depreciation of plant and equipment | 9.55 | 9.83 | 4.41 |
| | - Impairment on financial instruments | 575.04 | 426.66 | 388.00 |
| | - Others | 0.22 | 0.80 | 0.97 |
| | **Total deferred tax assets** | **584.80** | **437.29** | **393.39** |
| | **Deferred tax liability arising on account of:** | | | |
| | - Timing difference on depreciation of plant and equipment | - | - | - |
| | **Total deferred tax liability** | **-** | **-** | **-** |
| | **Deferred tax assets (net)** | **584.80** | **437.29** | **393.39** |

**Movement in deferred tax assets (net)**

| | As at 1st April 2019 | Recognised in profit and loss | Recognised in other comprehensive income | As at 31 March 2020 |
|---|---|---|---|---|
| **Deferred tax assets arising on account of:** | | | | |
| - Timing difference on depreciation of plant and equipment | 9.83 | (0.27) | - | 9.55 |
| - Impairment on financial instruments | 426.66 | 148.38 | - | 575.04 |
| - Others | 0.80 | (0.58) | - | 0.22 |
| **Deferred tax liabilities arising on account of:** | | | | |
| - Fair value adjustment | - | - | - | - |
| **Total** | **437.29** | **147.52** | **-** | **584.80** |

| | As at 1st April 2019 | Recognised in profit and loss | Recognised in other comprehensive income | As at 31 March 2019 |
|---|---|---|---|---|
| **Deferred tax assets arising on account of:** | | | | |
| - Timing difference on depreciation of plant and equipment | 4.41 | 5.41 | - | 9.83 |
| - Impairment on financial instruments | 388.00 | 38.65 | - | 426.66 |
| - Others | 0.97 | (0.16) | - | 0.80 |
| **Deferred tax liabilities arising on account of:** | | | | |
| - Fair value adjustment | - | - | - | - |
| **Total** | **393.39** | **43.90** | **-** | **437.29** |

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**Acme Resources Limited**
**Consolidated Notes to the financial statements for the year ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**12 Property and equipment**
**Tangible assets**

| Particulars | Building | Furniture and fixtures | Computers | Vehicles | Office equipments | Total |
|---|---|---|---|---|---|---|
| **Gross block** | | | | | | |
| **Balance as at 1 April 2018** | **64.32** | **1.13** | **2.48** | **86.86** | **4.71** | **159.49** |
| Additions during the year | - | 0.04 | - | 87.78 | 1.92 | **89.73** |
| Disposals / adjustments | - | - | - | 85.28 | - | **85.28** |
| **Balance as at 31 March 2019** | **64.32** | **1.17** | **2.48** | **89.36** | **6.63** | **163.94** |
| **Balance as at 1 April, 2019** | **64.32** | **1.17** | **2.48** | **89.36** | **6.63** | **163.96** |
| Additions during the period | - | - | 0.57 | - | - | **0.57** |
| Disposals / adjustments | 55.81 | - | - | - | - | **55.81** |
| **Balance as at 31 March 2020** | **8.51** | **1.17** | **3.05** | **89.36** | **6.63** | **108.72** |
| **Accumulated depreciation** | | | | | | |
| **Balance as at 1 April 2018** | **2.86** | **1.00** | **1.68** | **13.28** | **1.60** | **20.42** |
| Depreciation charge for the year | 0.12 | 0.07 | 0.55 | 22.39 | 1.36 | **24.49** |
| Disposals / adjustments | - | - | - | 14.89 | - | **14.89** |
| **Balance as at 31 March 2019** | **2.98** | **1.07** | **2.23** | **20.78** | **2.96** | **30.02** |
| **Balance as at 1 April, 2019** | **2.98** | **1.07** | **2.23** | **20.78** | **2.96** | **30.01** |
| Depreciation charge for the period | 0.12 | 0.01 | 0.38 | 17.79 | 1.37 | **19.68** |
| Disposals / adjustments | - | - | - | - | - | **-** |
| **Balance as at 31 March 2020** | **3.10** | **1.08** | **2.61** | **38.57** | **4.33** | **49.70** |
| **Net block** | | | | | | |
| **Balance as at 31 March 2019** | **61.34** | **0.10** | **0.25** | **68.58** | **3.67** | **133.92** |
| **Balance as at 31 March 2020** | **5.41** | **0.09** | **0.44** | **50.79** | **2.30** | **59.02** |

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**Acme Resources Limited**
**Consolidated Notes to the financial statements for the year ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 13 | **Other non-financial assets** | | | |
| | Prepaid expenses | 0.36 | 0.91 | 0.82 |
| | | **0.36** | **0.91** | **0.82** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 14 | **Trade payables** | | | |
| | Total outstanding dues of micro enterprises and small enterprises (refer note 33) | - | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 9.21 | 71.67 | 132.58 |
| | | **9.21** | **71.67** | **132.58** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 15 | **Borrowings (other than debt securities)(at amortised cost)** | | | |
| | **Unsecured** | | | |
| | - From Related Party | 357.79 | 1,430.87 | 524.60 |
| | - Others Loans repayable on demand | 127.00 | 336.86 | 552.00 |
| | | **484.79** | **1,767.72** | **1,076.60** |
| | Borrowings in India | 484.79 | 1,767.72 | 1,076.60 |
| | Borrowings outside India | - | - | |
| | | **484.79** | **1,767.72** | **1,076.60** |

Loans and advances from Related Parties (Terms of Repayment)

| **Tenure (from the date of balance sheet)** | **Rate of Interest** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|---|
| 1 to 5 Years | 9 % to 13 % | 125.00 | 72.43 |
| more than 5 years | 9 % to 13 % | 232.79 | 1,358.44 |
| | **Total** | | |

Loans and advances from others (Terms of Repayment)

| **Tenure (from the date of balance sheet)** | **Rate of Interest** | | |
|---|---|---|---|
| 1 to 5 Years | 9 % to 13 % | 127.00 | 336.86 |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 16 | **Other financial liabilities** | | | |
| | Interest accrued on borrowings | 298.36 | 76.12 | 306.38 |
| | Payable to employees | 1.18 | - | - |
| | Lease equalisation reserve | | | |
| | | **299.54** | **76.12** | **306.38** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 17 | **Current tax liabilities (net)** | | | |
| | Provision for income-tax (net of advance tax) | 7.50 | 85.79 | 76.63 |
| | | **7.50** | **85.79** | **76.63** |

| | | As at 31 March 2020 | As at 31 March 2019 | As at 1 April 2018 |
|---|---|---|---|---|
| 18 | **Other non-financial liabilities** | | | |
| | Expenses Payable | 0.55 | 9.62 | 1.12 |
| | Book Overdraft | - | 1,179.43 | - |
| | Advance received from customers | 285.23 | - | - |
| | Statutory dues payable | 35.26 | 38.06 | 42.58 |
| | | **321.04** | **1,227.10** | **43.70** |

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**Acme Resources Limited**

**Consolidated Notes to the financial statements for the year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

**19 Share capital**

| | As at March 31, 2020 | As at March 31, 2019 | As at April 1st, 2018 |
|---|---|---|---|
| (a) **Authorized share capital** | | | |
| Equity shares of Rs.10 each | | | |
| 26000000 (Previous year 26000000) Equity Shares | 2,600.00 | 2,600.00 | 2,600.00 |
| (b) **Issued, subscribed and paid up** | | | |
| Equity shares of Rs.10 each fully paid up | | | |
| 25744000 (Previous year 25744000) Equity Shares | 2,574.40 | 2,574.40 | 2,574.40 |

| (c) **Reconciliation of equity shares capital** | As at March 31, 20 | at March 31, 20 | at April 1st, 20 |
|---|---|---|---|
| Balance at the beginning of the year | 2,574.40 | 2,574.40 | 2,574.40 |
| Add: Shares issued during the year | - | - | - |
| Less: Bought back during the year | - | - | - |
| **Balance at the end of the year** | **2,574.40** | **2,574.40** | **2,574.40** |

(d) **Terms and rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) **Details of shareholders holding more than 5% shares in the company**

| | As at March 31, 2020 | | As at March 31, 2019 | | As at April 1st, 2018 | |
|---|---|---|---|---|---|---|
| **Names of shareholders** | **No. of Shares held** | **% of Holding** | **No. of Shares held** | **% of Holding** | **No. of Shares held** | **% of Holding** |
| Narayani Dealers Pvt Ltd | | | | | | |
| Bluemoon Dealcon Pvt. Ltd. | 115.52 | 44.87% | 115.52 | 44.87% | 115.52 | 44.87% |
| Selvo Dealcom Pvt. Ltd. | 37.56 | 14.59% | 37.56 | 14.59% | 37.56 | 14.59% |
| Merit Dealers Pvt Ltd | 37.50 | 14.57% | 37.50 | 14.57% | 37.50 | 14.57% |
| | 34.02 | 13.22% | 34.02 | 13.22% | 34.02 | 13.22% |

As per records of the Company, including its register of members/ shareholders, and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**20 Reserves and surplus**

| | As at March 31, 2020 | As at March 31, 2019 | As at April 1st, 2018 |
|---|---|---|---|
| **Surplus in the Statement of Profit and Loss** | | | |
| Balance at the beginning of the year | 1,453.95 | 2,329.69 | 2,546.15 |
| Add: Profit / (Loss) for the year | 62.04 | (850.95) | (181.19) |
| Less: Transfer to statutory reserve | - | 24.79 | 35.27 |
| **Balance at the end of the year** | **1,515.99** | **1,453.95** | **2,329.69** |
| **Statutory reserve fund** | | | |
| Balance at the beginning of the year | 1,595.11 | 1,570.32 | 1,535.05 |
| Add: Addition during the year | - | 24.79 | 35.27 |
| **Balance at the end of the year** | **1,595.11** | **1,595.11** | **1,570.32** |
| **Securities premium** | | | |
| Balance at the beginning of the year | 3,800.67 | 3,800.67 | 3,800.67 |
| Add: Addition during the year | - | - | - |
| Less: Issue of bonus shares | - | - | - |
| **Balance at the end of the year** | **3,800.67** | **3,800.67** | **3,800.67** |
| **General Reserve** | | | |
| Balance at the beginning of the year | 4.81 | 4.81 | 4.81 |
| Add: Addition during the year | - | - | - |
| Less: Issue of bonus shares | - | - | - |
| **Balance at the end of the year** | **4.81** | **4.81** | **4.81** |
| **Capital Reserve on Consolidation** | | | |
| Balance at the beginning of the year | 2,965.59 | 2,965.59 | 2,965.59 |
| Add: Addition during the year | - | - | - |
| Less: Issue of bonus shares | - | - | - |
| **Balance at the end of the year** | **2,965.59** | **2,965.59** | **2,965.59** |

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| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 21 | **Interest income (On financial assets measured at amortised cost)** | | |
| | Interest on loans | 1,088.04 | 668.28 |
| | | **1,088.04** | **668.27** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 22 | **Sale of Property** | | |
| | Sale of Property | 336.40 | 178.40 |
| | | **336.40** | **178.40** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 23 | | | |
| | Net gain on financial instruments through FVTPL | 36.78 | - |
| | | **36.78** | **-** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 24 | **Other income** | | |
| | Interest on Income Tax Refund | 4.91 | - |
| | Dividend income | 53.81 | 1.49 |
| | Profit on Cancellation of Flats/Property | - | 227.00 |
| | Rental income | 27.89 | 31.37 |
| | Miscellaneous income | 0.13 | 18.10 |
| | Profit on Sale of Property | 109.26 | - |
| | | **196.01** | **277.97** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 25 | **Finance costs** | | |
| | Interest on borrowings measured at amortised cost | 349.97 | 251.49 |
| | Interest expense on lease liability (amortised cost) | - | - |
| | Interest expense on delayed payment of statutory dues | 0.40 | 0.48 |
| | | **350.37** | **251.97** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 26 | **Impairment on financial instruments (At amortised cost)** | | |
| | Loans | 745.17 | 157.88 |
| | | **745.17** | **157.88** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 27 | **Changes in Inventories of Stock In Trade** | | |
| | Opening Balance | 2,102.72 | 1,305.20 |
| | Closing Balance | 1,977.28 | 2,102.72 |
| | | **125.44** | **(797.52)** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 28 | **Employee benefits expenses** | | |
| | Salaries and wages | 81.32 | 137.90 |
| | Staff welfare expenses | 0.72 | 0.50 |
| | | **82.03** | **138.40** |

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 29 | **Depreciation and amortisation** | | |
| | Depreciation on property and equipment | 19.67 | 24.49 |
| | | **19.67** | **24.49** |

*(This space has been intentionally left blank)*

| | | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|---|
| 30 | **Other expenses** | | |
| | Losses on sale of Investments | - | 980.49 |
| | Losses on Derivative Transactions | - | 22.25 |
| | Legal and professional charges | 13.48 | 15.25 |
| | Auditors' remuneration | 16.84 | 19.71 |
| | Travelling and conveyance | 1.25 | 0.53 |
| | Power and fuel | 0.54 | 1.58 |
| | Office maintenance | 0.88 | - |
| | Rent expenses | 5.66 | 5.29 |
| | Fee and subscription | 8.80 | 5.54 |
| | Repair and maintenance | 2.27 | 2.25 |
| | Communication | 0.72 | 1.06 |
| | Corporate social responsibility expenses# | - | 79.00 |
| | Business promotion | 1.69 | 2.31 |
| | Printing and stationery | 0.28 | - |
| | Bank charges | 0.19 | 0.48 |
| | Advertisment and publicity | 1.38 | 0.71 |
| | Insurance | 2.58 | 4.64 |
| | Bad Debts | 0.51 | - |
| | Miscellaneous expenses | 0.10 | 2.36 |
| | Diminution in Value of Investments | 3.81 | - |
| | Diminution in Value of Inventories | 4.94 | 3.84 |
| | Losses on sale of Fixed Assets | - | 20.36 |
| | | **65.92** | **1,167.66** |

**31 Income tax expense**

**Income tax expense recognised in Statement of profit and loss**

| **Particulars** | **For the period ended 31 March 2020** | **For the period ended 31 March 2019** |
|---|---|---|
| ***Current tax*** | | |
| In respect of the current year | 215.68 | 140.40 |
| In respect of earlier years | 134.38 | 0.07 |
| | **350.06** | **140.48** |
| ***Deferred tax credit*** | | |
| In respect of the current year | (147.52) | (44.24) |
| | **(147.52)** | **(44.24)** |

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the

| **Particulars** | **For the period ended 31 March 2020** | **For the period ended 31 March 2019** |
|---|---|---|
| Profit before tax | 268.64 | (754.70) |
| Domestic tax rate | 25.17 | 27.55 |
| **Expected tax expense [A]** | **67.61** | **(207.92)** |
| Tax impact of expenses which will never be allowed | - | (64.67) |
| Tax impact on items exempt under income tax | - | - |
| Dividend income | - | (0.41) |
| Income chargeable under capital gain (difference of tax rates) | (3.74) | (270.15) |
| Impact for change in tax rate | - | - |
| Others | (131.19) | 31.07 |
| **Total adjustments [B]** | **(134.93)** | **(304.16)** |
| | | |
| **Actual tax expense [C=A-B]** | **202.54** | **96.24** |
| Tax expense comprises: | | |
| Current tax expense | 350.06 | 140.48 |
| Deferred tax credit | (147.52) | (44.24) |
| **Tax expense recognized in profit or loss [D]** | **202.54** | **96.24** |

*(This space has been intentionally left blank)*

## 32 Earnings per share

| | For the period ended 31 March 2020 | For the period ended 31 March 2019 |
|---|---|---|
| **a) Net profit after tax for the period** | 66.10 | (850.94) |
| **b) Number of equity shares** | | |
| Opening number of equity shares at the beginning of the period | 257.44 | 257.44 |
| Closing number of equity shares at the end of the period | 257.44 | 257.44 |
| Weighted average number of equity shares | 257.44 | 257.44 |
| **c) Earnings per equity share** | | |
| Basic | 0.26 | (3.31) |
| Diluted | 0.26 | (3.31) |

## 33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

| | For the period ended 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting period | Nil | Nil |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period | Nil | Nil |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | Nil | Nil |
| (iv) The amount of interest due and payable for the period of delay in making payment | Nil | Nil |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting period | Nil | Nil |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | Nil | Nil |

*(This space has been intentionally left blank)*

**34** Provision for retirement benefits under the Payment of Gratuity Act and Provident Fund Act have not been made as the said act are not applicable to the group on account of the companies having less than the required number of employees.

**35** Contingent Liability - Rs. Nil (Previous Year Rs. Nil).

**36** The group has filed legal suits against 5 customers for recovery of Loan and advances amounting to Rs. 11.47 crores (Previous year Rs. 11.47 crores). Since the loans and advances are fully secured, the group does not foresee any liability against it. The required provision on the aforesaid loans and advances has been made in the books of account as on 31st March' 2020 as per RBI guidelines.

**37** Estimated amount of contracts remaining to be executed on capital account Rs. Nil (Previous Year Rs. Nil).

**38 SEGMENT REPORTING**

Ind AS - 108 on 'Segment Reporting' became applicable during the current year. The Company is engaged in financing by way of loans and sale of property. The Company does not have any reportable geographic segment. The Revenues profit and assets from the reportable business segment in terms of Ind AS - 108 on 'Segment Reporting' as notified by the Companies (Accounting Standards) Rules 2006 are as given below:

| | | (In Rs.) | (In Rs.) |
|---|---|---|---|
| **1** | **Segment Revenue:** | **For the Year Ended 31st March 2020** | **For the Year Ended 31st Mar 2019** |
| | (a) NBFC Business | 1,124.82 | 668.28 |
| | (b) Property Trading | 336.40 | 178.40 |
| | (c) Others | 196.01 | 277.96 |
| | **Total Income** | **1,657.23** | **1,124.64** |

| | | (In Rs.) | (In Rs.) |
|---|---|---|---|
| **2** | **Segment Results:** | **For the Year Ended 31st March 2020** | **For the Year Ended 31st Mar** |
| | (Profit before tax and interest from each segment) | | |
| | (a) NBFC Business | (138.34) | (1,032.66) |
| | (b) Property Trading | 210.96 | 280.51 |
| | (c) Others | 196.01 | 277.96 |
| | **Total Profit Before Tax** | **268.63** | **(754.70)** |

| | | (In Rs.) | (In Rs.) |
|---|---|---|---|
| **3** | **Segment Assets:** | **For the Year Ended 31st March 2020** | **For the Year Ended 31st Mar** |
| | (a) NBFC Business | 10,275.01 | 10,522.36 |
| | (b) Property Trading | 3,118.99 | 3,243.11 |
| | (c) Unallocated | 190.29 | 1,859.04 |
| | **Total Segment Assets** | **13,584.30** | **15,624.51** |
| | **Segment Liabilities:** | | |
| | (a) NBFC Business | 818.42 | 1,843.85 |
| | (b) Property Trading | 285.23 | - |
| | (c) Unallocated | 18.45 | 1,384.56 |
| | **Total Segment Liabilities** | **1,122.09** | **3,228.41** |

**39 DISCLOSURE AS PER INDIAN AS-24 "RELATED PARTY DISCLOSURE"**

As per Indian AS-24 issued by the Institute of Chartered Accountants of India the following are related parties:

**Key Managerial Personnel**

| | |
|---|---|
| Mr. Sharad Saluja | Managing Director till 30.10.20 |
| Mr. Kuldeep Saluja | Director & Relative of Mr. Sharad Saluja |
| Mr. Vivek Chaturvedi | Managing Director from 01.11.20 |

**Companies/Persons in which Key Management Personnel and Relatives of Key Managerial Personnel have control:**
**Name of the Company:**
Sterling Agro Industries Ltd.
Narayani Dealers Pvt. Ltd.
V. M. Estate Pvt. Ltd.
Kailashwati Buildcon Pvt. Ltd
Vinay Packaging (India) Pvt. Ltd
Kesar Builders Pvt. Ltd.
VRS Estate Pvt. Ltd.
Vinay Homes Pvt. Ltd.
VM Real Estates Pvt. Ltd.
KRSKA Capital Pvt. Ltd. (Previously known as Rajindra Hire Purchase & Leasing Co. Pvt. Ltd.)
Vinay Real Estate Pvt. Ltd.
KRSKA Estates LLP
Bluemoon Homez LLP
LNK Builders LLP
Mrs. Raman Saluja (Wife of Mr. Kuldeep Saluja)

**Acme Resources Limited**

**Consolidated Notes to the financial statements for the year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

The company has entered into the following related party transactions. Such parties and transactions have been identified as per Accounting Standard 18 "Related Party Disclosures' issued by the Institute of Chartered Accountants of India.

| Name of Related Party | Relation | Nature of Transaction | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|---|---|---|---|---|
| Mr. Sharad Saluja | Key Managerial Personnel | Remuneration | 49.00 | 102.00 |
| | | Reimbursement of Expense | 4.91 | - |
| Mrs. Raman Saluja | Relative of Key Managerial Personnel | Rent paid | 3.00 | 3.00 |
| Mr. Vivek Chaturvedi | Key Managerial Personnel | Remuneration | 5.44 | 4.62 |
| V. M. Estate Pvt. Ltd | Under Control of Key Managerial Personnel and relatives | Loan taken | - | 5.35 |
| | | Loan Repaid | 0.05 | 0.35 |
| | | Interest Expenses | 0.45 | 0.01 |
| VM Real Estates Pvt. Ltd. | Under Control of Key Managerial Personnel and relatives | Loan taken | 11.00 | - |
| | | Loan Repaid | 0.10 | - |
| | | Interest Expenses | 0.98 | - |
| Kailashwati Buildcon Pvt. Ltd | Under Control of Key Managerial Personnel and relatives | Reimbursement of Expense | 0.02 | - |
| | | Loan Given | - | 2.84 |
| | | Loan repaid | - | 2.84 |
| | | Interest income | - | 0.06 |
| Vinay Packaging (India) Pvt. Ltd | Under Control of Key Managerial Personnel and relatives | Loan Given | - | 0.50 |
| | | Loan repaid | 55.60 | 1.15 |
| | | Interest income | 1.48 | 7.03 |
| | | Loan Taken | 40.81 | - |
| | | Interest Paid | 2.61 | - |
| VRS Estate Pvt. Ltd. | Under Control of Key Managerial Personnel and relatives | Loan taken | - | 43.76 |
| | | Loan Repaid | - | 10.36 |
| | | Interest Expenses | - | 3.80 |
| Vinay Homes Pvt. Ltd. | Under Control of Key Managerial Personnel and relatives | Loan Given | 3.33 | - |
| | | Loan repaid | 162.57 | 20.49 |
| | | Interest income | 12.47 | 32.15 |
| KRSKA Capital Pvt. Ltd. (Previously known as Rajindra Hire Purchase & Leasing Co. Pvt. Ltd.) | Under Control of Key Managerial Personnel and relatives | Loan given | 1,306.00 | - |
| | | Loan receipt | 395.88 | - |
| | | Interest Income | 38.87 | - |
| | | Interest Expense | - | 106.36 |
| | | Loan Taken | - | 2,327.00 |
| | | Loan repaid | - | 1,790.64 |
| Bluemoon Homez LLP | Under Control of Key Managerial Personnel and relatives | Loan Given | 250.00 | - |
| | | Loan repaid | 252.13 | - |
| | | Interest income | 2.13 | - |
| LNK Builders LLP | Under Control of Key Managerial Personnel and relatives | Loan Given | 241.00 | - |
| | | Loan repaid | 1.81 | - |
| | | Interest income | 18.08 | - |
| KRSKA Estates LLP | Under Control of Key Managerial Personnel and relatives | Loan Given | 70.00 | - |
| | | Loan repaid | 70.41 | - |
| | | Interest income | 0.41 | - |

**BALANCE OUTSTANDING**

**(Amount in lacs)**

| Name of the Company | Nature | As at 31.03.2020 | As at 31.03.2019 |
|---|---|---|---|
| V. M. Estate Pvt. Ltd. | Payable | 5.45 | 5.01 |
| VM Real Estates Pvt. Ltd. | Payable | 11.88 | - |
| Kailashwati Buildcon Pvt. Ltd | Receivable | - | - |
| Vinay Packaging (India) Pvt. Ltd | Receivable | - | 53.00 |
| | Payable | 43.01 | - |
| VRS Estate Pvt. Ltd. | Payable | - | 67.42 |
| Vinay Homes Pvt. Ltd. | Receivable | 81.22 | 228.00 |
| KRSKA Capital Pvt. Ltd. (Previously known as | Payable | 948.98 | 1,111.58 |
| LNK Builders LLP | Receivable | 257.27 | - |
| Mr. Sharad Saluja | Payable/(Receivable) | - | 73.23 |
| Bluemoon Homez LLP | Payable/(Receivable) | - | - |
| KRSKA Estates LLP | Payable/(Receivable) | - | - |
| Mrs. Raman Saluja | Payable | - | 0.23 |

**Acme Resources Limited**
**Consolidated Notes to the financial statements for the year ended 31 March 2020**
(All amounts are in rupees lacs, unless stated otherwise)

**40 AUDITOR REMUNERATION (EXCLUDING GST)**

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|---|---|
| Statutory Audit Fees | 8.80 | 10.23 |
| Limited Review Fees | 3.60 | 4.80 |
| Tax Audit Fees | 0.80 | 1.00 |
| Certification Expenses | 0.40 | - |

**41** As per Section 135 of the Companies Act 2013 the Company is required to spend in every financial year at least two per cent of the average net profits of the company made during the three immediately preceding financial years on corporate social responsibility (CSR) activities. Accordingly the company was required to spend Rs 15.59 lacs (including Rs 11.17 lacs till 2018-19) during the current financial year. The Company is in the process of undertaking projects related to CSR. The CSR committee has been examining and evaluating suitable projects for deployment of funds. During the current year, the company has contributed the following sums towards CSR initiatives.

| **Amount Spent during the year :** | **Total spent in 19-20 (In Rs.)** | **Total spent in 18-19 (In Rs.)** |
|---|---|---|
| Education related expenses | - | 50 |

**42 Movement in Provisions**

| Particulars | | | As at 1st April 2019 | Movement in Provisions | As at 31st March 2020 |
|---|---|---|---|---|---|
| Provision against receivables under financing activities | | | | | |
| Sub-standard Assets | | | | | |
| | Current | | - | - | - |
| | Non-current | | **1,539.55** | **745.17** | **2,284.72** |

**43** Sundry debtors and Loans and Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statement.

**44** Debit and Credit Balances outstanding in the accounts of some of the parties are subject to confirmation/reconciliation.

**45 Previous year figures**
Figures of the previous year have been regrouped /reclassified wherever considered necessary to confirm to current year classification.

## 46 Fair value measurements

### A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

| Particulars | Note | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **Financial assets measured at fair value** | | | |
| Investments measured at fair value through profit and loss | Note-7 | 492.18 | 503.66 |
| **Financial assets measured at amortised cost** | | | |
| Cash and cash equivalents | Note-4 | 22.94 | 1,204.57 |
| Receivables | Note-5 | - | 0.51 |
| Loans | Note-6 | 8,584.83 | 9,260.66 |
| Other financial assets | Note-8 | 1,770.60 | 1,471.82 |
| **Total financial assets** | | **10,870.54** | **12,441.22** |
| | | | |
| **Financial liabilities** | | | |
| Trade payables | Note-14 | 9.21 | 71.67 |
| Borrowings (other than debt securities) | Note-16 | 484.79 | 1,767.73 |
| Other financial liabilities | Note-17 | 299.54 | 76.12 |
| **Total financial liabilities** | | **793.55** | **1,915.53** |

### B Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**The category used are as follows:**
**Level 1:** Quoted prices (unadjusted) in for identical instruments in active markets;
**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
**Level 3:** Inputs which are not based on observable market data (unobservable inputs).

### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements:

| Particulars | Period | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Investments at fair value through profit and loss** | | | | |
| Mutual funds | 31 March 2020 | 62.18 | - | - |
| | 31 March 2019 | 73.66 | - | - |
| **Investments at fair value through amortised cost** | | | | |
| Equity shares | 31 March 2020 | - | - | 430.00 |
| | 31 March 2019 | - | - | 430.00 |

### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Carrying value | Fair value | Carrying value | Fair value |
| **Financial assets:** | | | | |
| Cash and cash equivalents | 22.94 | 22.94 | 1,204.57 | 1,204.57 |
| Receivables | - | - | 0.51 | 0.51 |
| Loans | 8,584.83 | 8,584.83 | 9,260.66 | 9,260.66 |
| Other financial assets | 1,770.60 | 1,770.60 | 1,471.82 | 1,471.82 |
| **Total financial assets** | **10,378.36** | **10,378.36** | **11,937.56** | **11,937.56** |
| | | | | |
| **Financial liabilities:** | | | | |
| Trade payables | 9.21 | 9.21 | 71.67 | 71.67 |
| Borrowings (other than debt securities) | 484.79 | 484.79 | 1,767.73 | 1,767.73 |
| Other financial liabilities | 299.54 | 299.54 | 76.12 | 76.12 |
| **Total financial liabilities** | **793.55** | **793.55** | **1,915.53** | **1,915.53** |

The management assessed that fair values of cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Company's fixed interest bearing loan and investment in debt securities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

(ii) The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

**47 Movement in impairment of financial instruments**

a) The following table explains the changes in the loan assets and the corresponding ECL allowance between the beginning and the end of reporting period:

| Particulars | Stage 1 | | Stage 2 | | Stage 3 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Gross amount | 12 months ECL | Gross amount | Lifetime ECL | Gross amount | Lifetime ECL | Gross amount | Lifetime ECL |
| **Balance as at April 1, 2018** | | | | | | | | |
| Transfer to 12 months ECL (Stage 1) | 7,266.50 | - | - | - | - | - | **7,266.50** | **-** |
| Transfer to life time ECL not credit impaired (Stage 2) | - | - | - | - | - | - | **-** | **-** |
| Transfer to Lifetime ECL credit impaired (Stage 3) | - | - | - | - | 3,079.27 | 1,539.55 | **3,079.27** | **1,539.55** |
| Additional provision due to change in LGD/PD | - | - | - | - | - | - | **-** | **-** |
| New Financial assets originated or purchased | 454.44 | - | - | - | - | - | **454.44** | **-** |
| Financial Assets that have been derecognised | - | - | - | - | - | - | **-** | **-** |
| **Balance as at March 31, 2019** | **7,720.94** | **-** | **-** | **-** | **3,079.27** | **1,539.55** | **10,800.21** | **1,539.55** |
| | | | | | | | | |
| **Balance as at April 1, 2019** | **7,720.94** | **-** | **-** | **-** | **3,079.27** | **1,539.55** | **10,800.21** | **1,539.55** |
| Transfer to 12 months ECL (Stage 1) | - | - | - | - | - | - | **-** | **-** |
| Transfer to life time ECL not credit impaired (Stage 2) | - | - | - | - | - | - | **-** | **-** |
| Transfer to Lifetime ECL credit impaired (Stage 3) | - | - | - | - | - | 745.17 | **-** | **745.17** |
| Provision reversed due to change in LGD/PD | - | - | - | - | - | - | **-** | **-** |
| New Financial assets originated or purchased | 69.35 | - | - | - | - | - | **69.35** | **-** |
| Financial Assets that have been derecognised | - | - | - | - | - | - | **-** | **-** |
| **Balance as at December 31, 2019** | **7,790.28** | **-** | **-** | **-** | **3,079.27** | **2,284.72** | **10,869.55** | **2,284.72** |

Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'.

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 = 3-4 | 6 | 7 = 4-6 |
| (a) Performing Assets | | | | | | |
| Standard | Stage 1 | 7,790.28 | - | 7,790.28 | 32.46 | (32.46) |
| | Stage 2 | - | - | - | - | - |
| Subtotal (a) | | 7,790.28 | - | 7,790.28 | 32.46 | (32.46) |
| | | | | | | |
| (b) Non-Performing Assets | | | | | | |
| (i) Sub-standard | Stage 3 | - | - | - | - | - |
| (ii) Doubtful upto : | | | | | | |
| 1 Year | Stage 3 | - | - | - | - | - |
| 1 to 3 Years | Stage 3 | - | - | - | - | - |
| More than 3 Years | Stage 3 | 3,079.27 | 473.98 | 2,605.29 | 2,252.26 | (1,778.28) |
| Subtotal (ii) | | 3,079.27 | 473.98 | 2,605.29 | 2,252.26 | (1,778.28) |
| (iii) Loss | Stage 3 | - | - | - | - | - |
| Subtotal (b) | | 3,079.27 | 473.98 | 2,605.29 | 2,252.26 | (1,778.28) |
| (c) Other Items | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Total (a) + (b) + (c) | Stage 1 | 7,790.28 | - | 7,790.28 | 32.46 | (32.46) |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | 3,079.27 | 473.98 | 2,605.29 | 2,252.26 | (1,778.28) |
| | Total | **10,869.55** | **473.98** | **10,395.57** | **2,284.72** | **(1,810.74)** |

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till June 30, 2020. However, the government relaxed the lock-down in certain essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India ( RBI ) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for asset classification). Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic.
The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro economic conditions. Based on such assessment, the Company has not made additional expected credit loss provision on account of COVID-19 impact in the financial statement. The impairment loss not provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment provision required under IRACP (including standard asset provisioning) exceeds the provision made under Ind AS 109, as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

**48** The Company has two subsidiaries in the consolidated financial statements. Acme Resources Limited share in the voting power of these companies as at March 31, 2019 is as follows.

| Sr. No. | Name of the Company | Country of Incorporation | Proportion of Ownership interest (%) |
|---|---|---|---|
| 1 | Atul Agro Pvt. Ltd. | India | 98.01 |
| 2 | Ojas Suppliers Limited | India | 99.99 |

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

| Sr. No. | Name of the Company | Net Assets i.e. Total assets - Total Liabilities | As % of Total consolidated Net assets | Share in Profit or Loss | As % of Consolidated profit or loss |
|---|---|---|---|---|---|
| | **Holding Company:-** | | | | |
| | Acme Resources Limited | 7,214.16 | 57.91 | (176.34) | (284.24) |
| | **Subsidiaries:-** | | | | |
| 1 | Atul Agro Pvt. Ltd. | 107.71 | 0.86 | 103.40 | 166.67 |
| 2 | Ojas Suppliers Limited | 5,134.71 | 41.22 | 134.98 | 217.57 |
| | **Total** | **12,456.58** | **100.00** | **62.04** | **100.00** |

## 49 First time adoption of Ind AS

These financial statements, for the twelve month period ended 31 March 2020, are prepared in accordance with Ind AS.
Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for period ending on 31 March 2020 as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements.

### A Ind AS optional exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

**1 Deemed cost for property and equipment**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Group has elected to measure all of its property and equipment at their previous GAAP carrying value.

**2 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

### B Ind AS mandatory exceptions

**1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at transition date are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as this was not required under previous GAAP .

**2 Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

### C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**1 Reconciliation of total equity**

| | 31 March 2019 | 1 April 2018 |
|---|---|---|
| Equity as reported under Previous GAAP | 9,820.13 | 10,671.08 |
| **Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :** | - | - |
| **Profit after tax as reported under Ind AS** | 9,820.13 | 10,671.08 |
| Other Comprehensive Income / (loss) (net of tax) | - | - |
| **Total Comprehensive Income (after tax) as reported under Ind AS** | 9,820.13 | 10,671.08 |

**2 Reconciliation of total comprehensive income for the period**

| | 31 March 2019 |
|---|---|
| Profit after tax as reported under Previous GAAP | (850.94) |
| **Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :** | - |
| **Profit after tax as reported under Ind AS** | (850.94) |
| Other Comprehensive Income / (loss) (net of tax) | - |
| **Total Comprehensive Income (after tax) as reported under Ind AS** | (850.94) |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effects has been given for transition adjustments.

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**Acme Resources Limited**

**Consolidated Notes to the financial statements for the year ended 31 March 2020**

(All amounts are in rupees lacs, unless stated otherwise)

**Note - 1**

**Financial assets and liabilities accounted for at amortised cost**

Under previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest / amortisation cost method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

**Note - 2**

**Borrowings**

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

**Note - 3**

**Loan Assets**

Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss. Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

**Note - 4**

**Advances**

Under previous GAAP, advances were initially recognised at transaction price. Subsequently, finance income was recognised based on contractual terms, if any. Under Ind AS, such advances are initially recognised at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

**Note - 5**

**Impairment of loan assets**

Under previous GAAP, the Company has created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined based on expected credit loss ('ECL') model .

**Note - 6**

**Financial instruments carried at fair value through profit and loss**

Under previous GAAP, investments in equities were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL).

**Note - 7**

**Ind AS 116 Leases**

The Company has adopted Ind AS 116 w.e.f. April 1, 2019 where the Company has recognised right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Company has applied Ind AS 116 using modified retrospective approach, where right-to-use asset is measured equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments existed at the date of transition.

**Note - 8**

**Other Comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

**Note - 9**

**Tax impact on adjustments**

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

**For T R Chadha & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

sd/-
**Aashish Gupta**
Partner
Membership No. 097343
UDIN No - 20097343AAAAFE1749

**For and on behalf of the Board of Directors**
**Acme Resources Limited**

sd/-
**Kuldeep Saluja**
Director
DIN No. 00289187

sd/-
**Vivek Chaturvedi**
Managing Director
DIN No. 08027097

sd/-
**Kailash Jha**
Chief Financial Officer
PAN No. AMAPJ6908Q

sd/-
**Vineeta Sharma**
Company Secretary
PAN No. DLQPS7130R