



**16<sup>th</sup>**  
**ANNUAL REPORT**

**2019-20**



**Registered Office:** Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club, S. G. Highway,  
Bodakdev, Ahmedabad-380059, **Email Id:** info@a1acid.com,  
**Website:** www.a1acid.com, **Contact No:** 07940091111  
**CIN:** L24119GJ2004PLC044011

**A-1 ACID LIMITED**

**CORPORATE INFORMATION**

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**BOARD OF DIRECTORS**

**Mr. Harshadkumar Naranbhai Patel**  
**Mr. Jitendra Naranbhai Patel**  
**Mr. Utkarsh Harshadkumar Patel**  
**Mrs. Hansa Bharatbhai Patel**  
**Mrs. Lajju Hemang Shah**  
**Mr. Chirag Rajnikant Shah**  
**Mrs. Krishna Utkarsh Patel**  
**Ms. Helly Harshadkumar Patel**  
**Mr. Nitin Rikhavbhai Shah**

**CHIEF FINANCIAL OFFICER**

**Mr. Himanshu Sunil Thakkar**

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Ms. Aanal Bharatbhai Patel**

**STATUTORY AUDITORS**

**M/s. Riddhi P. Sheth & Co.**  
**Chartered Accountants**  
**(FRN: 140190W)**

**SECRETARIAL AUDITOR**

**M/s. Sejal Shah & Associates**  
**Practicing Company Secretaries,**  
**CP No. 21683**

**BANKERS**

**Deutsche Bank AG**  
**HDFC Bank Ltd.**  
**State Bank of India**  
**ICICI Bank Ltd**  
**Kotak Mahindra Bank Limited**

**REGISTERED OFFICE**

**Corporate House No. A-1,**  
**Shivalik Business Centre,**  
**B/h. Rajpath Club, S.G. Highway,**  
**Bodakdev, Ahmedabad-380059**

**CORPORATE IDENTITY NUMBER**

**L24119GJ2004PLC044011**

**WEBSITE**

**www.a1acid.com**

**INVESTOR SERVICES EMAIL ID**

**utsavgandhi@a1acid.com**

**REGISTRAR AND SHARE TRANSFER AGENT**

**Cameo Corporate Services Limited**  
**“Subramanian Building”,**  
**1, Club House Road,**  
**Chennai- 600 002**  
**Contact: 044 40020700 / 044 28460390**  
**Email Id: investor@cameoindia.com**  
**cameo@cameoindia.com**  
**Website: www.cameoindia.com**

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## **A-1 ACID LIMITED**

Registered Office: Corporate House No. A-1,  
Shivalik Business Centre, B/h. Rajpath Club,  
S. G. Highway, Bodakdev, Ahmedabad -380059  
Email Id: info@a1acid.com  
CIN: L24119GJ2004PLC044011  
Website: www.a1acid.com  
Contact No: +91 79 40091111

## **NOTICE TO MEMBERS**

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of **A-1 ACID LIMITED** (Formerly known as A-1 Acid Private Limited) will be held on Friday, 25<sup>th</sup> September, 2020 at 11:00 A.M. IST through video conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following businesses:

### **ORDINARY BUSINESS:**

#### **ITEM NO. 1 ADOPTION OF FINANCIAL STATEMENTS:**

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

To receive, consider and adopt the Audited Financial Statement for the financial year ended on March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.

**"RESOLVED THAT** the Board's Report with Annexure, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2020 and the Financial Statement as at that date together with the Independent Auditors' Report thereon be and are hereby considered, approved and adopted."

#### **ITEM NO. 2 TO APPOINT MR. JITENDRA NARANBHAI PATEL (DIN: 00164229) AS A DIRECTOR OF THE COMPANY BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT:**

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

**"RESOLVED THAT** pursuant to Section 152 of the Companies Act 2013 and other applicable provisions, Mr. Jitendra Naranbhai Patel (DIN: 00164229) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**ITEM NO. 3 TO APPOINT MRS. HANSA BHARATBHAI PATEL (DIN: 07966819) AS A DIRECTOR OF THE COMPANY BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT:**

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

**“RESOLVED THAT** pursuant to Section 152 of the Companies Act 2013 and other applicable provisions Mrs. Hansa Bharatbhai Patel (DIN: 07966819), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

**SPECIAL BUSINESS:**

**ITEM NO: 4 TO CONFIRM APPOINTMENT OF MRS. KRISHNA UTKARSH PATEL AS DIRECTOR AND APPROVE REMUNERATION:**

To consider and if thought fit, to Pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section –149,152, 161 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of Articles of Association of the Company, Mrs. Krishna Utkarsh Patel(DIN: 08685126), who was appointed as Additional Director of the Company at the Board Meeting of the Company held on February 17, 2020 and who holds office upto the ensuing Annual General Meeting be and is hereby confirmed as Non-executive Director of the Company.”

**“RESOLVED FURTHER THAT** pursuant to Sections 2(78), 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules made there under and subject to the provisions of Articles of Association of the Company, consent of members of the Company, be and is hereby accorded for approval of remuneration of Mrs. Krishna Utkarsh Patel(DIN: 08685126), maximum Rs. 50,000 (Rupees Fifty Thousand only) per month which includes all perquisites w.e.f. 01.10.2020, however director can draw lower remuneration than maximum looking to adequacy of profit and fund if any required for expansion of the business operations and to alter and vary the terms and conditions in such manner as may be agreed be and between the Board and Mrs. Krishna Utkarsh Patel(DIN: 08685126), subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V of the Act.”

**“RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits of the company in any financial year, the aforesaid remuneration shall be paid as minimum remuneration to Mrs. Krishna Utkarsh Patel(DIN: 08685126).”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the aforesaid terms as to remuneration within the ceiling limits as mentioned aforesaid.”

**“RESOLVED FURTHER THAT** subject to the limits contained in Section – 197 read with Schedule V of the Companies Act, 2013, Mrs. Krishna Utkarsh Patel(DIN: 08685126), Director, be paid remuneration as remuneration terms recommended by the Board and also mentioned below :

**I. REMUNERATION:**

Maximum Rs. 50,000 (Rupees Fifty Thousand only) per month subject to revision from time to time.

**II. REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS:**

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration which includes all incentives shall be paid subject to the maximum limits prescribed under Schedule V of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the remuneration including all benefits, amenities and perquisites shall nevertheless be paid and allowed to Mrs. Krishna Utkarsh Patel(DIN: 08685126), as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed there under and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized 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 Director(s) to give effect to the aforesaid resolution and to file necessary E Forms with Registrar of Companies.”

**ITEM NO: 5 TO CONFIRM APPOINTMENT OF MS. HELLY HARSHADKUMAR PATEL AS DIRECTOR AND APPROVE REMUNERATION:**

To consider and if thought fit, to Pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section –149,152, 161 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of Articles of Association of the Company, Ms. Helly Harshadkumar Patel (DIN: 08685154), who was appointed as Additional Director of the Company at the Board Meeting of the Company held on February 17, 2020 and who holds

office up to the ensuing Annual General Meeting be and is hereby confirmed as Non-executive Director of the Company.”

**“RESOLVED FURTHER THAT** pursuant to Sections 2(78), 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules made there under and subject to the provisions of Articles of Association of the Company, consent of members of the Company, be and is hereby accorded for approval of remuneration of Ms. Helly Harshadkumar Patel (DIN: 08685154), maximum Rs. 50,000 (Rupees Fifty Thousand only) per month which includes all perquisites w.e.f. 01.10.2020, however director can draw lower remuneration than maximum looking to adequacy of profit and fund if any required for expansion of the business operations and to alter and vary the terms and conditions in such manner as may be agreed be and between the Board and Ms. Helly Harshadkumar Patel (DIN: 08685154), subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V of the Act.”

**“RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits of the company in any financial year, the aforesaid remuneration shall be paid as minimum remuneration to Ms. Helly Harshadkumar Patel (DIN: 08685154).”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the aforesaid terms as to remuneration within the ceiling limits as mentioned aforesaid.”

**“RESOLVED FURTHER THAT** subject to the limits contained in Section – 197 read with Schedule V of the Companies Act, 2013, Ms. Helly Harshadkumar Patel (DIN: 08685154), Director, be paid remuneration as remuneration terms recommended by the Board and also mentioned below :

#### **I. REMUNERATION:**

Maximum Rs. 50,000 (Rupees Fifty Thousand only) per month subject to revision from time to time.

#### **II. REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS:**

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration which includes all incentives shall be paid subject to the maximum limits prescribed under Schedule V of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the remuneration including all benefits, amenities and perquisites shall nevertheless be paid and allowed to Ms. Helly Harshadkumar Patel (DIN: 08685154), as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed there under and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized 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 Director(s) to give effect to the aforesaid resolution and to file necessary E Forms with Registrar of Companies.”

**ITEM NO: 6 TO CONFIRM APPOINTMENT OF MR. NITIN RIKHAVBHAI SHAH AS INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Section –149,152, 161 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of Articles of Association of the Company, Mr. Nitin Rikhavbhai Shah (DIN: 08697467), who was appointed as Additional Independent Director of the Company at the Board Meeting of the Company held on February 17,2020 and who holds office up to the ensuing Annual General Meeting be and is hereby confirmed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from 25<sup>th</sup> September,2020.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized 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 Director(s) to give effect to the aforesaid resolution and to file necessary E Forms with Registrar of Companies.”

Date: 02/09/2020  
Place: Ahmedabad

By Order of the Board of Directors,  
A-1 ACID LIMITED

**Registered Office:**

Corporate House No. A-1, Shivalik Business  
Centre, B/h. Rajpath Club, S. G. Highway,  
Bodakdev, Ahmedabad0-380059

Sd/-  
Aanal Bharatbhai Patel  
Company Secretary

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and



Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 16<sup>th</sup> AGM of the Company is being held through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Notice of the AGM along with the Annual Report 2019-20 can also be accessed from the websites of the Stock Exchanges i.e. Bombay Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) or Website of company [www.a1acid.com](http://www.a1acid.com).

7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The relevant details pursuant to regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed in Annexure-I.
9. Mrs. Krishna Utkarsh Patel, Ms. Helly Harshadkumar Patel and Mr. Nitin Rikhavbhai Shah appointed as Non-executive Additional Directors w.e.f February 17, 2020. Brief profile of Mrs. Krishna Utkarsh Patel, Ms. Helly Harshadkumar Patel and Mr. Nitin Rikhavbhai Shah are annexed in Annexure-II respectively to confirm appointment as Non-executive director of the company as per regulation 36(3) of SEBI Listing Regulations.
10. 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 Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [csdharapatel@gmail.com](mailto:csdharapatel@gmail.com) (Scrutinizer), [cs@a1acid.com](mailto:cs@a1acid.com) (Company) and with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held by them in electronic form.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.a1acid.com](http://www.a1acid.com) Members are requested to submit the said details to their Depository Participant in case the shares are held by them in electronic form.
13. 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 AGM.
14. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. 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.

15. Members desirous for any information or queries on accounts / financial statements or relating thereto are requested to send their queries at least seven days in advance to the Company at its registered office address to enable the Company to collect the relevant information and answer them in the Meeting.
16. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form.
17. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain close from Saturday, 19<sup>th</sup> September, 2020 to Friday, 25<sup>th</sup> September, 2020 (both days inclusive) in connection with the Annual General Meeting.
18. The Company or its Registrars and Transfer Agents, Cameo Corporate Services Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.
20. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
21. Non-Resident Members: Non Resident Indian Members are requested to inform Registrar and Transfer Agents, immediately of:
  - a. Change in their residential status on return to India for permanent settlement
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier
22. The Company has fixed Friday, 18<sup>th</sup> September, 2020, as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote in the Meeting.

23. Ms. Dhara Patel, Company Secretary in Practice (M. No: 29198, COP No.:10979) has been appointed as a Scrutinizer to scrutinize the voting and process for the Annual General Meeting in a fair and transparent manner.
24. The Explanatory Statement, pursuant to section 102 of the companies Act, 2013 setting out facts concerning the business under Item no. 4, 5 and 6 attached with the notice.
25. All documents referred to in the notice and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 4.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the Meeting and at the venue of the Meeting for the duration of the Meeting.
26. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**27. The Instructions for members for remote E-Voting are As under:-**

The remote e-voting period begins on 22<sup>th</sup> September, 2020 at 09:00 A.M. and ends on 24<sup>th</sup> September, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**28. How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned 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 are 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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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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) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) 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.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are 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.

### **General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csdharapatel@gmail.com](mailto:csdharapatel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. 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](http://www.evoting.nsdl.com) to reset the password.
3. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**29. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to company email id at cs@a1acid.com.

**30. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, 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 EGM/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.

**31. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@a1acid.com](mailto:cs@a1acid.com). The same will be replied by the company suitably.

**ANNEXURE: I**

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE  
16<sup>TH</sup> ANNUAL GENERAL MEETING**

**[PURSUANT TO REGULATION 36(3) OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015]**

Name of Directors	Jitendra Naranbhai Patel
Date of Birth	27.10.1971
Age	48 years
Date of Appointment	22.04.2004
Qualifications	studied from Gujarat University
Expertise in specific Functional Areas	Sales & Marketing Leadership, Billing, Collections & Cash Management, New business development.
Directors in other Public Companies	NIL
Other Positions	NIL
Membership of Committees in other unlisted Public Companies	NIL
Inter Relationship	Relative (Brother) of Harshadkumar Naranbhai Patel ( Chairman & Managing Director)
Shares held in the Company as at 31 <sup>st</sup> March, 2020	27,30,000 Equity Shares

**[PURSUANT TO REGULATION 36(3) OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS)REGULATIONS, 2015]**

Name of Director	Hansa Bharatbhai Patel
Date of Birth	11/04/1965
Age	55 years
Date of Appointment	30/04/2010
Qualifications	Graduated from Gujarat University
Expertise in specific Functional Areas	Multitasking managerial abilities
Directors in other Public Companies	NIL
Other Positions	NIL
Membership of Committees in other unlisted Public Companies	NIL
Inter Relationship	Mr. Jitendra Naranbhai Patel and Mr. Harshadkumar Naranbhai Patel are brother of Hansa Bharatbhai Patel
Shares held in the Company	NIL

**ANNEXURE: II**  
**DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE**  
**16<sup>TH</sup> ANNUAL GENERAL MEETING**

**[PURSUANT TO REGULATION 36(3) OF THE SEBI**  
**(LISTING OBLIGATIONS AND DISCLOSURE**  
**REQUIREMENTS) REGULATIONS, 2015]**

Name of Director	Krishna Utkarsh Patel
Date of Birth	14.11.1992
Age	27 year
Date of Appointment	17.02.2020
Qualifications	B.SC in Hospitality and Hotel Administration
Expertise in specific Functional Areas	Assisting in budget creation and tracking expenditures Managing business development activities for the company
Directors in other Public Companies	NIL
Other Positions	NIL
Membership of Committees in other unlisted Public Companies	NIL
Inter Relationship	Relative (Wife) of Utkarsh Harshadkumar Patel (WTD)
Shares held in the Company as at 31 <sup>st</sup> March, 2020	NIL

**[PURSUANT TO REGULATION 36(3) OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS)REGULATIONS, 2015]**

Name of Director	Helly Harshadkumar Patel
Date of Birth	06.10.1996
Age	23 years
Date of Appointment	17.02.2020
Qualifications	M.Sc. in Marketing from Queen Mary University of London, PG Diploma in International Business Management, BBA from Ahmedabad University
Expertise in specific Functional Areas	Delegating duties to departmental heads as per their expertise Providing training and guidance to the development team. Participating in strategic planning and passing on orders for implementation.
Directors in other Public Companies	NIL
Other Positions	NIL
Membership of Committees in other unlisted Public Companies	NIL
Inter Relationship	Relative (Daughter) of Harshadkumar Naranbhai Patel (Managing Director) and (Sister) of Utkarsh Harshadkumar Patel
Shares held in the Company as at 31 <sup>st</sup> March,2020	100 Equity Shares

**[PURSUANT TO REGULATION 36(3) OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS)REGULATIONS, 2015]**

Name of Director	Nitin Rikhavbhai Shah
Date of Birth	24.05.1956
Age	64 years
Date of Appointment	17.02.2020
Expertise in specific Functional Areas	He holds Diploma from Insurance Institute of India. He is retired as regional Manager in National Insurance Company Limited. He also has professional expertise in management & administration.
Qualifications	Diploma in insurance
Directors in other Public Companies	NIL
Other Positions	NIL
Membership of Committees in other unlisted Public Companies	NIL
Inter Relationship	NO
Shares held in the Company as at 31 <sup>st</sup> March,2020	---

**EXPLANATORY STATEMENT (PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013)**

The following statement sets out all material facts relating and the special businesses mentioned in the accompanying Notice:

**ITEM NO: 4: TO CONFIRM APPOINTMENT OF MRS. KRISHNA UTKARSH PATEL AS DIRECTOR AND APPROVAL OF REMUNERATION:**

The Board of Directors of the Company ('the Board') at the meeting held on 17<sup>th</sup> February, 2020 appointed Mrs. Krishna Utkarsh Patel as Additional Director of the company on the recommendation of the Nomination & Remuneration Committee ('the Committee').

The Committee and the Board are of the view that, considering the knowledge, experience and performance of Mrs. Krishna Utkarsh Patel and continuous support to the Board processes and continued association would benefit the Company to appoint Mrs. Krishna Utkarsh Patel as director of the company subject to the approval of the Members at the Annual General meeting.

The Company has received consent in writing from Mrs. Krishna Utkarsh Patel to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 In the opinion of the Board, Mrs. Krishna Utkarsh Patel the conditions specified in the Act and the Rules thereunder for appointment as Directors.

In view of the aforesaid facts, the Board of Directors of the Company at their Meeting held on 2<sup>nd</sup> September, 2020 had confirmed the appointment as director and approved the remuneration of Mrs. Krishna Utkarsh Patel as set out in the Resolution subject to the approval of shareholders at the Annual General meeting.

Mrs. Krishna Utkarsh Patel may deem to be concerned or interested, financially or otherwise, in respect of her remuneration. Mr. Utkarsh Harshadkumar Patel, Mr. Harshadkumar Naranbhai Patel, Mrs. Ritaben Harshadbbhai Patel are relatives of Mrs. Krishna Utkarsh Patel to the extent of their shareholding interest in the Company.

Save and except as above, none of the other Directors of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013**

**I. GENERAL INFORMATION**

1.	Nature of Industry	Wholesale Trading of Industrial Acid and Chemicals		
2.	Date or Expected Date of Commencement of Commercial Production	The Commercial production is already started.		
3.	In case of New Companies, expected date of commencement of activities as per project approved by financial Institutions appearing in the prospectus.	Not Applicable		
4.	Financial performance based on given indicators.	<b>Particulars</b>	<b>2019-20 (Rs. In Lacs)</b>	<b>2018-19 (Rs. In Lacs)</b>
		Total Income	13359	15012
		Profit Before Tax, Financial Cost and Depreciation	785	854
		Depreciation	276	176
		Finance Cost	102	117
		Profit Before Tax	407	561
		Tax	100	143
		Profit After Tax	307	418
		Equity Capital 1,00,00,000 Equity Share Capital	1000	1000
		Earnings per share (Rs.)	3.10	4.97
5.	Export performance based on given indicators.	<b>Particulars</b>	<b>2019-20 (Rs. In Lacs)</b>	<b>2018-19 (Rs. In Lacs)</b>
		Foreign Exchange Earning	--	--
		Foreign Exchange Outgo	--	--
6.	Foreign Investments or Collaborators, if any.	The Company did not have any foreign Investments or collaborations.		



## **II. INFORMATION ABOUT THE APPOINTEE:**

### **1. Background Details:**

Mrs. Krishna Utkarsh Patel has completed BSC in Hospitality and Hotel Administration. She has invested her efforts, dedication, Knowledge and experience to the development and expansion of the business. She is one of the member promoter groups of the company. She is a visionary entrepreneur who is well versed with industry.

### **2. Recognition or awards:**

Mrs. Krishna Utkarsh Patel is well recognized for her visionary and entrepreneur skill in managing business activities and has been efficiently managing overall affairs of the Company.

### **3. Job Profile and her suitability:**

In the capacity of Director of the Company Mrs. Krishna Utkarsh Patel shall be responsible for managing business development activities for the company and providing overall handling of affairs of the Company's as well as operations or such other roles and responsibilities as may be assigned to her by the Board from time to time.

### **4. Remuneration proposed:**

Remuneration upto Rs. 50,000/- (Rupees Fifty Thousand only) per month inclusive of all perks and facilities.

### **5. Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person.**

Since the Company is involved in variety of products, it would not be possible to compare the remuneration in similar type of Industry.

### **6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mrs. Krishna Utkarsh Patel may deem to be concerned or interested, financially or otherwise, in respect of her remuneration. Mr. Utkarsh Harshadkumar Patel, Mr. Harshadkumar Naranbhai Patel, Mrs. Ritaben Harshadbhai Patel are relatives of Mrs. Krishna Utkarsh Patel to the extent of their shareholding interest in the Company.

## **III. OTHER INFORMATION:**

### **1. Reasons of Loss or Inadequate Profits:**

Company is primarily engaged in the business of wholesale trading of Industrial Acid and Chemicals wherein margins remain stretched.

### **2. Step taken or proposed to be taken for improvement:**

Focus has been placed to increase more customers so as to increase the sales turnover of the Company and this will result into increase in the profit of the Company.

**3. Expected increase in productivity and profit in measurable terms:**

Looking at the past performance and efforts being made during the year, the Company is expecting to achieve at least current growth.

Mrs. Krishna Utkarsh Patel, Mr. Utkarsh Harshadkumar Patel, Mr. Harshadkumar Naranbhai Patel, Mrs. Ritaben Harshadbhai Patel (relatives) are concerned or interested in the resolution.

The Board recommends the resolution set out at Item No. 4 of the notice for approval by the shareholders to be passed as a Special Resolution at Annual General meeting.

**ITEM NO: 5: TO CONFIRM APPOINTMENT OF MS. HELLY HARSHADKUMAR PATEL AS DIRECTOR AND APPROVAL OF REMUNERATION:**

The Board of Directors of the Company ('the Board') at the meeting held on 17<sup>th</sup> February, 2020 appointed Ms. Helly Harshadkumar Patel as Additional Director of the company on the recommendation of the Nomination & Remuneration Committee ('the Committee').

The Committee and the Board are of the view that, considering the knowledge, experience and performance of Ms. Helly Harshadkumar Patel and continuous support to the Board processes and continued association would benefit the Company to appoint Ms. Helly Harshadkumar Patel as director of the company subject to the approval of the Members at the Annual General meeting.

The Company has received consent in writing from Ms. Helly Harshadkumar Patel to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 In the opinion of the Board, Ms. Helly Harshadkumar Patel the conditions specified in the Act and the Rules thereunder for appointment as Directors.

In view of the aforesaid facts, the Board of Directors of the Company at their Meeting held on 2<sup>nd</sup> September, 2020 had confirmed the appointment as director and approved the remuneration of Ms. Helly Harshadkumar Patel as set out in the Resolution subject to the approval of shareholders at the Annual General meeting.

Ms. Helly Harshadkumar Patel may deem to be concerned or interested, financially or otherwise, in respect of her remuneration. Mr. Harshadkumar Naranbhai Patel, Mr. Utkarsh Harshadkumar Patel and Mrs. Ritaben Harshadbhai Patel of the Company are relatives of Ms. Helly Harshadkumar Patel to the extent of their shareholding interest in the Company.

Save and except as above, none of the other Directors of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013**

**IV. GENERAL INFORMATION**

1.	Nature of Industry	Wholesale Trading of Acid and Chemicals		
2.	Date or Expected Date of Commencement of Commercial Production	The Commercial production is already started.		
3.	In case of New Companies, expected date of commencement of activities as per project approved by financial Institutions appearing in the prospectus.	Not Applicable		
4.	Financial performance based on given indicators.	<b>Particulars</b>	<b>2019-20 (Rs. In Lacs)</b>	<b>2018-19 (Rs. In Lacs)</b>
		Total Income	13359	15012
		Profit Before Tax, Financial Cost and Depreciation	785	854
		Depreciation	276	176
		Finance Cost	102	117
		Profit Before Tax	407	561
		Tax	100	143
		Profit After Tax	307	418
		Equity Capital 1,00,00,000 Equity Share Capital	1000	1000
		Earnings per share (Rs.)	3.10	4.97
5.	Export performance based on given indicators.	<b>Particulars</b>	<b>2019-20 (Rs. In Lacs)</b>	<b>2018-19 (Rs. In Lacs)</b>
		Foreign Exchange Earning	--	--
		Foreign Exchange Outgo	--	--
6.	Foreign Investments or Collaborators, if any.	The Company did not have any foreign Investments or collaborations.		

**V. INFORMATION ABOUT THE APPOINTEE:**

**1. Background Details:**

Ms. Helly Harshadkumar Patel has completed M.Sc. in Marketing from Queen Mary University of London, PG Diploma in International Business Management, BBA from Ahmedabad University. She has invested her efforts, dedication, Knowledge and

experience to the development of the business. He is one of the member promoter groups of the company. She is a visionary entrepreneur who is well versed with industry.

**2. Recognition or awards:**

Ms. Helly Harshadkumar Patel is well recognized for her visionary and entrepreneur skill in managing business activities and has been efficiently managing overall affairs of the Company.

**3. Job Profile and her suitability:**

In the capacity of Director of the Company Ms. Helly Harshadkumar Patel shall be responsible for handling and Delegating duties to departmental heads as per their expertise and Providing training and guidance to the development team providing overall handling of affairs of the Company's as well as operations or such other roles and responsibilities as may be assigned to her by the Board from time to time.

**4. Remuneration proposed:**

Remuneration upto Rs. 50,000/- (Rupees Fifty Thousand only) per month inclusive of all perks and facilities.

**5. Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person.**

Since the Company is involved in variety of products, it would not be possible to compare the remuneration in similar type of Industry.

**6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Ms. Helly Harshadkumar Patel may deem to be concerned or interested, financially or otherwise, in respect of her remuneration. Mr. Harshadkumar Naranbhai Patel, Managing Director and Mr. Utkarsh Harshadkumar Patel, Whole time Director, Mrs. Ritaben Harshadbhai Patel of the Company are relatives of Ms. Helly Harshadkumar Patel to the extent of their shareholding interest in the Company.

**VI. OTHER INFORMATION:**

**1. Reasons of Loss or Inadequate Profits:**

Company is primarily engaged in the business of wholesale trading of Industrial Acid and Chemicals wherein margins remain stretched.

**2. Step taken or proposed to be taken for improvement:**

Focus has been placed to increase more customers so as to increase the sales turnover of the Company and this will result into increase in the profit of the Company.

**3. Expected increase in productivity and profit in measurable terms:**

Looking at the past performance and efforts being made during the year, the Company is expecting to achieve at least current growth.

Ms. Helly Harshadkumar Patel, Mr. Harshadkumar Naranbhai Patel and Mr. Utkarsh Harshadkumar Patel, Mrs. Ritaben Harshadbhai Patel (relatives) are concerned or interested in the resolution.

The Board recommends the resolution set out at Item No. 5 of the notice for approval by the shareholders to be passed as a Special Resolution at Annual General meeting.

**ITEM NO: 6: TO CONFIRM APPOINTMENT OF MR. NITIN RIKHAVBHAI SHAH AS INDEPENDENT DIRECTOR:**

The Board of Directors of the Company ('the Board') at the meeting held on 17<sup>th</sup> February, 2020 appointed Mr. Nitin Rikhabbhai Shah as Additional Independent Director of the company on the recommendation of the Nomination & Remuneration Committee ('the Committee').

The Committee and the Board are of the view that, considering the knowledge, experience and performance of Mr. Nitin Rikhabbhai Shah and continuous support to Board and their continued association would benefit to the Company to confirm Mr. Nitin Rikhabbhai Shah as independent director of the company for consecutive 5 years subject to the approval of the Members at the Annual General meeting.

The Company has received consent in writing from Mr. Nitin Rikhabbhai Shah to act as Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and declaration that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Nitin Rikhabbhai Shah as fulfill the conditions specified in the Act and the Rules thereunder for appointment as Independent Directors and they are independent of the management of the Company. The sitting fees for attending the meetings of the Board and its Committees would be entitled as may be determined by the Board.

In view of the aforesaid facts, the Board of Directors of the Company at their Meeting held on 2<sup>nd</sup> September, 2020 had confirmed the appointment as independent director as set out in the Resolution subject to the approval of shareholders at the Annual General meeting.

The Board recommends the resolution set out at Item No. 6 of the notice for approval by the shareholders to be passed as an Ordinary Resolution at Annual General meeting.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

## DIRECTORS' REPORT

To,  
The Members,  
A-1 ACID LIMITED

The Directors present the 16<sup>th</sup> Annual report of the Company along with the audited financial statements for the financial year ended March 31, 2020.

### **FINANCIAL PERFORMANCE:**

The Company's financial performance for the year under review along with previous year figures is given hereunder:

Particulars	Standalone	
	Financial Year	Financial Year
	2019-20	2018-19
	(FY 2020)	(FY 2019)
Revenue from Operations	12147	14099
Other Income	1212	913
<b>Total revenue</b>	<b>13359</b>	<b>15012</b>
Operating Profit (Before Finance Cost and Depreciation & Amortisation)	785	854
Less: Finance Cost	102	117
Profit before Depreciation & Amortisation	683	737
Less: Depreciation & Amortisation	276	176
Profit before Exceptional and Extraordinary item and Tax	407	561
Less: Exceptional items (Impairment Loss)	0	0
<b>Profit before Tax</b>	<b>407</b>	<b>561</b>
Less: Net Current Tax Expense pertaining to current year	103	131
Less/(Add): Tax Adjustments of earlier year	(3)	0
Less/(Add): Deferred Tax	(3)	12
<b>Profit after Tax</b>	<b>310</b>	<b>418</b>
Earnings per share for continuing operation		
Basic	3.10	4.97
Diluted	3.10	4.97

### **DIVIDEND:**

In order to conserve the reserve, your directors do not recommend any dividend for the financial year ended, 31<sup>st</sup> March, 2020.

### **TRANSFER TO RESERVE& SURPLUS:**

The net profit of the company for F.Y. 2019-20 is Rs. 310 Lakhs. The profit of F.Y. 2019-20 has been transferred to the surplus account.

### **COMPANY'S PERFORMANCE REVEIW:**

On a standalone basis, the revenue from operations for FY 2019- 2020 was Rs.12147.00 Lakhs over the previous year's revenue from operations of Rs. 14099.00 Lakhs.

Net Profit after tax for FY 2019- 2020 was Rs. 310.00 Lakhs over the previous year's Net Profit after tax of Rs. 418.00 Lakhs.

Earnings per Share for FY 2019- 2020 were Rs. 3.10 over the previous year's Earnings per Share of Rs. 4.97.

The Company definitely provide better results to the shareholders in upcoming year via better performance.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

The novel coronavirus (COVID-19) pandemic is spreading around the globe including India rapidly and causing significant disturbance and slowdown of economic activity. The Company has made detailed assessment of it's liquidity position for the next year and the recoverability of the Company's assets such as Trade receivables, Inventories, Advances, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments. The Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company and has determined that none of these balances requires a material adjustment to their carrying value. The Company believes that impact of COVID-19 on the Company's financial statement is not material.

The impact of COVID-19 may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor the developments.

### **SHARE CAPITAL:**

During the year under review, the Company has not increased it's paid up share capital and Authorised share capital. The Authorised Share Capital as on 31<sup>st</sup> March, 2020 is Rs. 12,00,00,000 and Paid up share capital as on 31<sup>st</sup> March,2020 is Rs. 10,00,00,000.

**LISTING INFORMATION:**

The Equity Shares in the Company are continued to be listed with BSE SME Platform and in dematerialized form. The ISIN No. of the Company is INE911Z01017.

**STATEMENT PURSUANT TO LISTING AGREEMENT:**

The Company Equity Shares is listed at Bombay Stock Exchange Limited (SME segment). The Annual Listing fee for the year 2020-21 has been paid.

**DEPOSITS FROM PUBLIC:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet as per section 73 and 76 of the companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 from the part of the notes to the Financial Statements provided in this Annual Report.

**UTILIZATION OF IPO FUND:**

The Initial Public Offer fund is utilized for the purpose for which the amount is raised as mentioned in the prospectus and there is no deviation or variation in the Utilization of IPO Fund.

**CHANGE IN THE NATURE OF BUSINESS:**

There is no Change in the nature of the business of the Company done during the year.

**INTERNAL CONTROLS AND THEIR ADEQUACY:**

The Company implemented suitable controls to ensure its operational, compliance and reporting objectives. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness and compliance is ingrained into the management review process.

Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial control exist in design and operation.



M/s. Hemant R. Vora & Co. is the internal auditor of the Company for the F.Y. 2019-20, who conducts Internal audit and submit half yearly/yearly reports to the Audit Committee. The Internal Audit is processed to design to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. The Audit Committee reviews the effectiveness of the Company's internal control system.

**DETAILS OF HOLDING, SUBSIDIARY AND ASSOCIATES:**

The Company does not have any holding, subsidiary and associate Company during the period of Reporting.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are under:

Sr. No.	Particulars	Comments
<b>(A)</b>	<b>Conservation of energy</b>	
(i)	the steps taken or impact on conservation of energy;	Energy conservation is very important for the company and therefore, energy conservation measures are undertaken wherever practicable in its plant and attached facilities. The Company is making every effort ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient equipment's with latest technologies. Impact on conservation of energy was that the electricity load expenses reduced.
(ii)	the steps taken by the Company for utilizing alternate sources of energy;	Nil
(iii)	the capital investment on energy conservation equipment	Nil
<b>(B)</b>	<b>Technology absorption</b>	
(i)	the efforts made towards technology absorption	Your Company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently. While the industry is labour intensive, we believe that mechanization of development through technological innovations is the way to address the huge demand supply gap in the industry. We are

		constantly upgrading our technology to reduce costs and achieve economies of scale.	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	Nil	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year :		
	(a) the details of technology imported	Nil	
	(b) the year of import	N.A.	
	(c) whether the technology been fully absorbed	N.A.	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	N.A.	
(iv)	the expenditure incurred on Research and Development	Nil	
<b>(C)</b>	<b>Foreign exchange earnings and Outgo</b>	<b>Inflow (In Rs.)</b>	<b>Out Flow (In Rs.)</b>
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Nil	Nil

### **INDUSTRIAL RELATION:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As per Provisions of Section 152 of the Companies Act, 2013, Mr. Jitendra Naranbhai Patel and Mrs. Hansa Bharatbhai Patel are liable to retire by rotation and is eligible for re-appointment.

Mr. Urvish Ratilal Patel resigned as Independent Director with effect from February 17, 2020.

Mrs. Krishna Utkarsh Patel and Ms. Helly Harshadkumar Patel were appointed as Non-executive Additional director w. e. f. February 17, 2020.

Mr. Nitin Rikhavbhai Shah was appointed as Non-executive Additional independent director w.e.f. February 17, 2020.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Act, with respect to Director Responsibility Statement, the Board of Directors, to the best of its knowledge and ability, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis;

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

(f)The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF BOARD MEETINGS AND ATTENDANCE:**

During the Financial year 2019-20, Eighteen (18) board meetings were held. These were held on April 08, 2019; April 24, 2019; April 29,2019; May 04, 2019; May 15, 2019; June 24, 2019; July 06, 2019; July 25, 2019; August 14, 2019; September 05, 2019; September 30, 2019; October 03, 2019; October 23, 2019; November 11, 2019; January 31, 2020; February 17, 2020; February 28, 2020 and March 20, 2020.The interval between any two meetings was well within the maximum allowed gap of 120 days.

The Composition of Board of directors and the details of meetings attended by the members during the year are given below.

Name of the director	Category	No. of Board Meetings Held & Entitled to Attend	No. of Board Meetings Attended
Mr. Harshadkumar Naranbhai Patel	Chairman & Managing Director	18	18
Mr. Jitendra Naranbhai Patel	Whole-time Director	18	18
Mrs. Lajju Hemang Shah	Independent Director	18	5
Mr. Chirag Rajnikant Shah	Independent Director	18	4

Mr. Utkarsh Harshadkumar Patel	Whole-time Director	18	17
Mrs. Hansa Bharatbhai Patel	Non-Executive Director	18	7
Mr. Urvish Ratilal Patel <sup>[1]</sup>	Independent Director	15	3
Mrs. Krishna Utkarsh Patel <sup>[2]</sup>	Non-Executive Director	2	2
Ms. Helly Harshadkumar Patel <sup>[2]</sup>	Non-Executive Director	2	2
Mr. Nitin Rikhavbhai Shah <sup>[3]</sup>	Independent Director	2	2

(1) Resigned as independent director effective February 17, 2020;

(2) Appointed as additional director effective February 17, 2020;

(3) Appointed as additional Independent director effective February 17, 2020

#### **COMMITTEES OF THE BOARD:**

Matters of policy and other relevant and significant information are furnished regularly to the Board. To provide better Corporate Governance & transparency, currently, your Board has four (4) Committees viz., Audit Committee, Remuneration & Nomination Committee, Stakeholder Relationship Committee, Corporate Social responsibly committee look into various aspects for which they have been constituted. The Board fixes the terms of reference of Committees and also delegate powers from time to time.

#### **AUDIT COMMITTEE:**

The Audit Committee comprises of non-executive Independent Director and Director as its Member. The Chairman of the committee is Independent Director.

During the Financial year 2019-20, Eight (8) meeting of audit committee held on April 08, 2019; April 29, 2019; May 15, 2019; August 14, 2019; September 30, 2019; October 23, 2019; November 11, 2019 and February 28, 2020.

The Composition of Audit Committee and the details of meetings attended by the members during the year are given below.

Sr. No.	Name of the Director	Status in Committee Nature	Nature of Directorship	No of Meetings Held & Entitled to Attend	No of Meetings attended
1	Mr. Chirag Rajnikant Shah	Chairman of committee	Non-Executive and Independent	8	8

			Director		
2	Mrs. Lajju Hemang Shah	Member	Non-Executive and Independent Director	8	8
3	Mrs. Hansa Bharatbhai Patel	Member	Non-Executive and Non Independent Director	8	8

**RECOMMENDATIONS BY THE AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS**

All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2019-20, one meeting of the Nomination and Remuneration Committee met on February 17, 2020.

Sr. No.	Name of the Director	Status in Committee Nature	Nature of Directorship	No of Meetings Held & Entitled to Attend	No of Meetings attended
1	Mr. Chirag Rajnikant Shah	Chairman of committee	Non-Executive and Independent Director	1	1
2	Mrs. Lajju Hemang Shah	Member	Non-Executive and Independent Director	1	1
3	Mrs. Hansa Bharatbhai Patel	Member	Non-Executive and Non Independent Director	1	1

The Nomination and remuneration policy available on the website of the company at [www.a1acid.com](http://www.a1acid.com).

### **STAKEHOLDER RELATIONSHIP COMMITTEE**

The stakeholder relationship committee comprises non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2019-20, four (4) meeting of Stakeholder Relationship Committee were held on April 11, 2019; July 12, 2019; October 17, 2019 and January 09, 2020.

The Composition of Stakeholder and Relationship Committee and the details of meetings attended by the members during the year are given below:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Status in Committee Nature</b>	<b>Nature of Directorship</b>	<b>No. of Meetings Held &amp; Entitled to Attend</b>	<b>No. of Meetings attended</b>
1	Mr. Chirag Rajnikant Shah	Chairman of committee	Non-Executive and Independent Director	4	4
2	Mrs. Lajju Hemang Shah	Member	Non-Executive and Independent Director	4	4
3	Mrs. Hansa Bharatbhai Patel	Member	Non-Executive and Non Independent Director	4	4

### **CORPORATE SOCIAL RESPONSIBLY COMMITTEE:**

The Corporate Social Responsibility committee comprises non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2019-20, One (1) meeting of Corporate Social Responsibility Committee was held on March 11, 2020.

The Composition of Corporate Social Responsibility Committee and the details of meetings attended by the members during the year are given below:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Status in Committee Nature</b>	<b>Nature of Directorship</b>	<b>No. of Meetings Held &amp; Entitled to Attend</b>	<b>No. of Meetings attended</b>
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1	Mr. Chirag Rajnikant Shah	Chairman of committee	Non-Executive and Independent Director	1	1
2	Mr. Harshadkumar Naranbhai Patel	Member	Managing Director	1	1
3	Mr. Nitin Rikhavbhai Shah	Member	Non-Executive and Additional Independent Director	1	1

### **EXTRACTS OF ANNUAL RETURN:**

In accordance with section 134(3) (a) of the Companies Act, 2013, an extract of Annual Return in the prescribed format is appended to this Report as Annexure III and also available on the website of the company at [www.a1acid.com](http://www.a1acid.com).

### **CORPORATE GOVERNANCE REPORT:**

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

- a. Listed entity having paid up equity share capital not exceeding Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;
- b. Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2019-2020.

### **AUDITORS:**

#### **1. STATUTORY AUDITORS:**

At the fifteenth AGM held on September 19, 2019 the Members approved appointment of M/s. Riddhi P. Sheth & Co., Chartered Accountants (Firm Registration No. 140190W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 20<sup>th</sup> AGM.

#### **2. SECRETARIAL AUDITOR:**

The Board of directors pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. Sejal Shah & Associates (CP. No. 21683), Practicing Company Secretary,

Ahmedabad as Secretarial Auditor of the Company to conduct the Secretarial Audit as per the provisions of the said Act for the Financial Year 2019-20.

A Secretarial Audit Report for the Financial Year 2019-20 is annexed herewith as Annexure-IV in Form MR-3. There are no adverse observations in the Secretarial Audit Report which call for explanation.

### **3. INTERNAL AUDITOR**

The Board of directors has appointed M/s. Hemant R. Vora & Co., Chartered Accountant as the internal auditor of the company for F.Y. 2019-20; The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

### **4. COST AUDITORS AND THEIR REPORT:**

As per provision of section 148(3) of Companies Act, 2013 and rule 6(2) of Companies (Cost records and audit) Rules, 2014, the company is not required to appoint a cost auditor to maintain / audit the cost records of the company for cost audit report.

### **REVIEW OF AUDITORS REPORT AND SECRETARIAL AUDITORS REPORT:**

There are no qualifications, reservations or adverse remarks made by Statutory Auditors M/s. Riddhi P. Sheth & Co., (FRN: 140190W), Chartered Accountants, Ahmedabad, in the Auditor's report and by Secretarial Auditors M/s. Sejal Shah & Associates, Ahmedabad, Practising Company Secretary, in their Secretarial Audit Report for the Financial Year ended March 31, 2020.

### **REPORTING OF FRAUDS BY AUDITORS:**

During the year under review, neither the Statutory nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") the Management Discussion and Analysis of the Company for the year under review is presented in a separate section forming the part of the Annual Report is attached here with as Annexure V.

### **DEMATERIALIZATION OF SHARES:**

During the year under review, all the equity shares were dematerialized through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited,



which represents 100% of the total paid-up capital of the Company. The Company ISIN No. is INE911Z01017 and Registrar and Share Transfer Agent is CAMEO CORPORATE SERVICES LIMITED.

**DIRECTOR REMUNERATION AND SITTING FEES:**

Member's attention is drawn to Financial Statements wherein the disclosure of remuneration paid to Directors is given during the year 2019-20. The remuneration and Sitting fees paid to Directors mentioned in Extract of Annual return.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the year under the review were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large. Your Directors draw your attention to related parties' transactions entered as per section 188 of the companies during the year as are detailed in Annexure-VI attached to this report.

**CREDIT RATING:**

The company has not obtained any rating from any Credit Rating Agency during the year.

**MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met on March 11, 2020 inter alia, to discuss:

1. Review of the performance of the Non- Independent Directors and the Board of Directors as a whole.
2. Review of the Chairman of the Company, taking into the account of the views of the Executive and Non- Executive Directors.
3. Assess 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 in the meeting.

**1. DECLARATION FROM INDEPENDENT DIRECTORS:**

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under section 149(6) of the Companies Act, 2013.

**2. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:**

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business. The Company did not have any peculiar relationship or transactions with non-executive Directors during the year ended March 31, 2020.

### **3. FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 the nomination and remuneration committee has laid down the evaluation of the performance of Individual Directors and the Board as a whole. Based on the criteria the exercise of evaluation was carried out through the structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Director. The performance of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Director expressed their satisfaction with the evaluation process.

### **POLICIES OF THE COMPANY:**

#### **REMUNERATION AND APPOINTMENT POLICY:**

The Company follows a policy on remuneration of Directors and senior management employees, details of the same are given in the website of the Company [www.a1acid.com](http://www.a1acid.com).

The committee must ensure that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and key managerial personnel of the quality required to run the company successfully.
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- c. 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.

#### **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION:**

Your Company has adopted the policy on Materiality of Related Party Transaction to set out the dealing with the transaction between the Company and its related parties. The Policy on Materiality of Related Party Transaction has been available on the website of the Company [www.a1acid.com](http://www.a1acid.com).

### **POLICY OF CODE OF CONDUCT FOR DIRECTOR AND SENIOR MANAGEMENT:**

Your Company has adopted the policy of code of Conduct to maintain standard of business conduct and ensure compliance with legal requirements. The Policy on Code of Conduct for Director and Senior Management has been available on the website of the Company [www.a1acid.com](http://www.a1acid.com).

### **PREVENTION OF INSIDER TRADING:**

Pursuant to provisions of the regulations, the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by employees and other connected persons and code of practices and procedure for fair disclosure of unpublished price Sensitive Information. The same has been available on the website of the Company [www.a1acid.com](http://www.a1acid.com).

### **POLICY ON THE PRESERVATION OF DOCUMENTS AND ARCHIVE POLICY:**

Pursuant to provision of the regulations, the board has formulated the policy on the Preservation of Documents & Archive policy. The same has been available at the website of company at [www.a1acid.com](http://www.a1acid.com).

### **BUSINESS RISK MANAGEMENT:**

The Company has taken various steps in connection with the implementation of Risk Management measures in terms of provisions contained in the Companies Act, 2013, after identifying the elements of risks which in the opinion of the Board may threaten the very existence of the Company. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by Board from time to time. Key risks identified are methodically addressed through mitigating actions on a continuing basis. The policy of risk management is made available on the website of the company at [www.a1acid.com](http://www.a1acid.com).

### **CORPORATE SOCIAL RESPONSIBILITY:**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure VII of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy of Corporate Social Responsibility is made available on the website of the company at [www.a1acid.com](http://www.a1acid.com).

### **VIGIL MECHANISM/WHISTLE BLOWER MECHANISM:**

Your Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism has been available on the website of the Company at [www.a1acid.com](http://www.a1acid.com).

**POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS:**

Your Company has adopted a policy on identification of group companies, material creditors and material litigations. The policy on identification of group companies, material creditors and material litigations has been available on the website of the Company at [www.a1acid.com](http://www.a1acid.com).

**POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS AND INFORMATION:**

Your Company has adopted a Policy on Determination and Disclosure of Materiality of Events and Information. The policy on Policy on Determination and Disclosure of Materiality of Events and Information has been available on the website of the Company at [www.a1acid.com](http://www.a1acid.com).

**PARTICULARS REGARDING EMPLOYEES REMUNERATION:**

During the year under review, there are no employees drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information pertaining to section 197 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 is annexed herewith as Annexure-VIII.

**DISCLOSURES BY DIRECTORS:**

The Board of Directors have submitted notice of interest in Form MBP 1 under Section 184(1) as well as information by directors in Form DIR 8 under Section 164(2) and declarations as to compliance with the Companies Act, 2013.

**DISQUALIFICATIONS OF DIRECTORS:**

During the financial year 2019-2020 under review the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 that none of the Directors of your Company is disqualified; to hold office as director disqualified as per provision of Section 164(2) of the Companies Act, 2013 and debarred from holding the office of a Director pursuant to any order of the SEBI or any such authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20<sup>th</sup> June 2018 on the subject "Enforcement of SEBI orders regarding appointment of Directors by Listed Companies".

The Directors of the Company have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**SECRETARIAL STANDARD:**

Your Directors states that they have devised proper systems to ensure compliance with the Secretarial Standards and that such system are adequate and operating effectively.

#### **OTHER REGULATORY REQUIREMENT:**

The Company has been complied with all regulatory requirements of central government and state government and there were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the Company's operations in future.

#### **SEBI COMPLAINTS REDRESS SYSTEM (SCORES):**

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during financial year 2019-20.

#### **INVESTOR GRIEVANCES REDRESSAL STATUS:**

During the Financial Year 2019-20, there were no complaints or queries received from the shareholders of the Company. Company Secretary, acts as the Compliance Officer of the Company is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations. The Investor can be sent their query at [utsavgandhi@a1acid.com](mailto:utsavgandhi@a1acid.com) or [cs@a1acid.com](mailto:cs@a1acid.com).

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

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules there under.

#### **ACKNOWLEDGEMENT:**

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Registered Office:  
Corporate House No. A-1,  
Shivalik Business Centre,  
B/h. Rajpath Club,  
S. G. Highway, Bodakdev,  
Ahmedabad- 380059

For and on behalf of the Board,  
A-1 ACID LIMITED

Date: 02/09/2020  
Place: Ahmedabad

Sd/-  
Harshadbhai N. Patel  
Chairman & Managing  
Director  
DIN: 00302819

Sd/-  
Jitendra N. Patel  
Whole-Time Director  
DIN: 00164229

**Annexure III to Boards Report**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on**  
**31<sup>st</sup> March, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	L24119GJ2004PLC044011
ii) Registration Date	22/04/2004
iii) Name of the Company	A-1 ACID LIMITED
iv) Category/Sub-Category of the Company	Company Limited by Shares
v) Address of registered Office and Contact Details	Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club, S. G. Highway, Bodakdev, Ahmedabad - 380059
vi) Whether Listed Company	YES
vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building", 1, Club House Road, Chennai-600 002 Contact: 044 40020700 044 28460390 E-mail: investor@cameoindia.com Website: www.cameoindia.com

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

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale of Industrial Chemicals	NIC-46691	92%
2	Motorised Road Freight Transport	NIC-49231	8%

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

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
-----NIL-----			

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

		No. of Shares held at the beginning of the year				No. of Shares held at the end of year				
	Category of Shareholder	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
<b>(A) Shareholding of Promoter and Promoter Group2</b>										
1	Indian									
a)	INDIVIDUAL / HUF	7000000	0	7000000	70.0000	7000000	0	7000000	70.0000	0.00
b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)									
1	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
2	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
3	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>70.0000</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>70.0000</b>	<b>0.00</b>
<b>(A) Shareholding of Promoter and Promoter Group2</b>										
2	Foreign									
a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Promoter Shareholding</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>70.0000</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>70.0000</b>	<b>0.00</b>
<b>(B) Public shareholding</b>										
3	Institutions									
a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
c)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
j)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
k)	ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(B) Public shareholding</b>										
4	Non-institutions									
a)	BODIES CORPORATE	1020369	0	1020369	10.2036	248112	0	248112	2.4811	-7.7225
b)	INDIVIDUAL									



1	(CAPITAL UPTO TO Rs. 1 Lakh)	383888	0	383888	3.8388	395888	0	395888	3.9588	0.1200
2	(CAPITAL GREATER THAN Rs. 1 Lakh)	1321743	0	1321743	13.2174	2024000	0	2024000	20.2400	7.0225
<b>c) ANY OTHERS (Specify)</b>										
1	HINDU UNDIVIDED FAMILY	252000	0	252000	2.5200	314000	0	314000	3.1400	0.6200
2	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
3	CLEARING MEMBER	22000	0	22000	0.2200	18000	0	18000	0.1800	-0.0400
4	NON RESIDENT INDIANS (NRI)	0	0	0	0.00	0	0	0	0.00	0.00
5	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
6	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
7	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
8	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>		<b>3000000</b>	<b>0</b>	<b>3000000</b>	<b>30.0000</b>	<b>3000000</b>	<b>0</b>	<b>3000000</b>	<b>30.0000</b>	<b>0.0000</b>
<b>Total Public Shareholding</b>		<b>3000000</b>	<b>0</b>	<b>3000000</b>	<b>30.0000</b>	<b>3000000</b>	<b>0</b>	<b>3000000</b>	<b>30.0000</b>	<b>0.0000</b>
(C) Shares held by Custodians and against which Depository Receipts have been issued										
5										
e)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
9	Promoter and Promoter Group	7000000	0	7000000	70.0000	7000000	0	7000000	70.0000	0.00
10	Public	3000000	0	3000000	30.0000	3000000	0	3000000	30.0000	0.0000
<b>GRAND TOTAL</b>		<b>10000000</b>	<b>0</b>	<b>10000000</b>	<b>100.0000</b>	<b>10000000</b>	<b>0</b>	<b>10000000</b>	<b>100.0000</b>	<b>0.0000</b>

## ii.) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP:

SL No	Shareholder's Name	Shareholding at beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			
		No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	% Change
1	Jitendra Naranbhai Patel	2730000	27.3000	0.0000	2730000	27.3000	0.0000	0.0000
2	Harshadkumar Naranbhai Patel	2730000	27.3000	0.0000	2730000	27.3000	0.0000	0.0000
3	Utkarsh H Patel	770000	7.7000	0.0000	770000	7.7000	0.0000	0.0000
4	Krishnaben Naranbhai Patel	769600	7.6960	0.0000	769600	7.6960	0.0000	0.0000
5	Ritaben Harshadbhai Patel	100	0.0010	0.0000	100	0.0010	0.0000	0.0000
6	Patel Binduben Jitendra	100	0.0010	0.0000	100	0.0010	0.0000	0.0000
7	Helly Harshadkumar Patel	100	0.0010	0.0000	100	0.0010	0.0000	0.0000
8	Keta Jitendra Patel	100	0.0010	0.0000	100	0.0010	0.0000	0.0000
<b>TOTAL</b>		<b>7000000</b>	<b>70.0000</b>		<b>7000000</b>	<b>70.0000</b>		<b>0.0000</b>

**iii.) CHANGE IN PROMOTER AND PROMOTER GROUP SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>7000000</b>	<b>70.00</b>	<b>7000000</b>	<b>70.00</b>
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>There is no change in Promoters and Promoter Group Shareholding during the financial year 2019-20.</b>			
	At the end of the year	<b>7000000</b>	<b>70.00</b>	<b>7000000</b>	<b>70.00</b>

**#CHANGE IN PROMOTER'S SHAREHOLDING**

SR NO	Name	Shareholding		Date	Increase /Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	JITENDRA NARANBHAI PATEL	2730000	27.3000	01-Apr-2019	--	--	2730000	27.3000
		2730000	27.3000	31-Mar-2020	--	--	2730000	27.3000
2	HARSHADKUMAR NARANBHAI PATEL	2730000	27.3000	01-Apr-2019	--	--	2730000	27.3000
		2730000	27.3000	31-Mar-2020	--	--	2730000	27.3000
3	UTKARSH H PATEL	770000	7.7000	01-Apr-2019	--	--	770000	7.7000
		770000	7.7000	31-Mar-2020	--	--	770000	7.7000
4	KRISHNABEN NARANBHAI PATEL	769600	7.6960	01-Apr-2019	--	--	769600	7.6960

		769600	7.6960	31-Mar-2020	--	--	769600	7.6960
					--	--		
5	RITABEN HARSHADBHAI PATEL	100	0.0010	01-Apr-2019	--	--	100	0.0010
		100	0.0010	31-Mar-2020	--	--	100	0.0010
					--	--		
6	PATEL BINDUBEN JITENDRA	100	0.0010	01-Apr-2019	--	--	100	0.0010
		100	0.0010	31-Mar-2020	--	--	100	0.0010
					--	--		
7	HELLY HARSHADKUMAR PATEL	100	0.0010	01-Apr-2019	--	--	100	0.0010
		100	0.0010	31-Mar-2020	--	--	100	0.0010
					--	--		
8	KETA JITENDRA PATEL	100	0.0010	01-Apr-2019	--	--	100	0.0010
		100	0.0010	31-Mar-2020	--	--	100	0.0010

**iv.) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

SR NO	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	SWASTIKA INVESTMART LIMITED	432000	4.3200	01-Apr-2019			432000	4.32000
			4.5000	05-Apr-2019	18000	Buy	450000	4.5000
			7.9000	12-Apr-2019	340000	Buy	790000	7.9000
			7.6200	19-Apr-2019	-28000	Sell	762000	7.6200
			7.5600	26-Apr-2019	-6000	Sell	756000	7.5600
			7.6600	17-May-2019	10000	Buy	766000	7.6600
			7.7400	24-May-2019	8000	Buy	774000	7.7400
			7.8400	31-May-2019	10000	Buy	784000	7.8400
			7.6800	02-Aug-2019	-16000	Sell	768000	7.6800
			7.4400	09-Aug-2019	-24000	Sell	744000	7.4400
			7.1004	23-Aug-2019	-33955	Sell	710045	7.1004
			7.0404	06-Sep-2019	-6000	Sell	704045	7.0404
			0.5656	30-Sep-2019	-647480	Sell	56565	0.5656
			0.0000	04-Oct-2019	-56565	Sell	0	0.0000
		0	0.0000	31-Mar-2020	0		0	0.0000
2	WAYS VINIMAY PRIVATE LIMITED	136000	1.3600	01-Apr-2019			136000	1.3600
			1.2600	23-Aug-2019	-10000	Sell	126000	1.2600

			1.2400	27-Sep-2019	-2000	Sell	124000	1.2400
			1.2200	10-Jan-2020	-2000	Sell	122000	1.2200
			1.2000	14-Feb-2020	-2000	Sell	120000	1.2000
			1.1600	21-Feb-2020	-4000	Sell	116000	1.1600
			1.1200	06-Mar-2020	-4000	Sell	112000	1.1200
		112000	1.1200	31-Mar-2020	0		112000	1.1200
3	VIJAY KUMAR BHANDARI	136000	1.3600	01-Apr-2019			136000	1.3600
			1.3621	20-Dec-2019	215	Buy	136215	1.3621
			1.8800	27-Dec-2019	51785	Buy	188000	1.8800
			1.9205	31-Jan-2020	4054	Buy	192054	1.9205
			2.0400	07-Feb-2020	11946	Buy	204000	2.0400
			2.1400	21-Feb-2020	10000	Buy	214000	2.1400
			2.5800	28-Feb-2020	44000	Buy	258000	2.5800
			2.6800	06-Mar-2020	10000	Buy	268000	2.6800
		268000	2.6800	31-Mar-2020	0		268000	2.6800
4	NAND KISHORE JAIN	120000	1.2000	01-Apr-2019			120000	1.2000
			0.7200	20-Dec-2019	-48000	Sell	72000	0.7200
		72000	0.7200	31-Mar-2020	0		72000	0.7200
5	BABITABEN PATEL	106000	1.0600	01-Apr-2019			106000	1.0600
			1.0000	19-Apr-2019	-6000	Sell	100000	1.0000
		100000	1.0000	31-Mar-2020	0		100000	1.0000
6	ARYA FIN-TRADE SERVICES INDIA	104000	1.0400	01-Apr-2019	0		104000	1.0400
			0.2400	12-Apr-2019	-80000	Sell	24000	0.2400
			0.0000	26-Apr-2019	-24000	Sell	0	0.0000
		0	0.0000	31-Mar-2020	0		0	0.0000
7	ALKA VIJAYKUMAR BHANDARI	98000	0.9800	01-Apr-2019	0		98000	0.9800
			1.0000	05-Apr-2019	2000	Buy	100000	1.0000
			1.8000	27-Sep-2019	80000	Buy	180000	1.8000
			1.9438	22-Nov-2019	14382	Buy	194382	1.9438
			1.9600	29-Nov-2019	1618	Buy	196000	1.9600
			2.1111	06-Dec-2019	15112	Buy	211112	2.1111
			2.1400	13-Dec-2019	2888	Buy	214000	2.1400
			2.2393	28-Feb-2020	9934	Buy	223934	2.2393
			2.3000	06-Mar-2020	6066	Buy	230000	2.3000
		230000	2.3000	31-Mar-2020	0		230000	2.3000
8	GUINNESS SECURITIES LIMITED	82000	0.8200	01-Apr-2019	0		82000	0.8200
		82000	0.8200	31-Mar-2020	0		82000	0.8200
9	AIRAN FINSTOCKS PRIVATE LIMITED	66000	0.6600	01-Apr-2019	0		66000	0.6600
			0.0000	12-Apr-2019	-66000	Sell	0	0.0000
		0	0.0000	31-Mar-2020	0		0	0.0000

10	HARSADBHAI MANILAL PATEL	58000	0.5800	01-Apr-2019		58000	0.5800
		58000	0.5800	31-Mar-2020	0	58000	0.5800

**v.) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Harshadkumar Naranbhai Patel	2730000	27.3000	--	2730000	27.3000	--	--
2	Mr. Jitendra Naranbhai Patel	2730000	27.3000	--	2730000	27.3000	--	--
3	Mr. Utkarsh Harshadkumar Patel	770000	7.7000	--	770000	7.7000	--	--
4	Ms. Helly Harshadkumar Patel <sup>[1]</sup>	100	0.0010	--	100	0.0010	--	--

<sup>(1)</sup> Appointed as additional director effective February 17, 2020

**V) INDEBTEDNESS (Amt. in Rs.):**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	147,143,695	-	-	147,143,695
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>147,143,695</b>	<b>-</b>	<b>-</b>	<b>147,143,695</b>
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	64,199,860	-	-	64,199,860
<b>Net Change</b>	<b>64,199,860</b>	<b>-</b>	<b>-</b>	<b>(64,199,860)</b>

Indebtedness at the end of the financial year				
i) Principal Amount	82,943,835	-	-	82,943,835
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>82,943,835</b>	<b>-</b>	<b>-</b>	<b>82,943,835</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER (Amount in Rs.)

		NAME			
Sr. No.	Particulars of Remuneration	Harshadkumar Naranbhai Patel	Jitendra Naranbhai Patel	Utkarsh Harshadkumar Patel	Total Amount
		Managing Director	Whole Time Director	Whole Time Director	
1	Gross salary	66,12,000	48,12,000	42,12,000	1,56,36,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66,12,000	48,12,000	42,12,000	1,56,36,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	---	---		--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---		---
2	Stock Option	---	---		--
3	Sweat Equity	---	---		---
4	Commission	---	---		--
	- As % of Profit	---	---		---
	- others, specify	---	---		--
5	Others, Contribution to Provident Fund	---	---		---
	Total (A)	66,12,000	48,12,000	42,12,000	1,56,36,000
	Overall Ceiling as	The Managerial remuneration is within the ceiling limits as per the Act.			

	Per the Act	
--	-------------	--

**B. REMUNERATION TO OTHER DIRECTORS: (Amount in Rs.)**

SI. NO.	PARTICULARS OF REMUNERATION	FEE FOR ATTENDING BOARD / COMMITTEE MEETINGS	COMMISSION	OTHERS, PLEASE SPECIFY (Remuneration)	TOTAL AMOUNT
<b>1</b>	<b>Independent Directors</b>				
1	Krishna Utkarsh Patel	Nil	Nil	Nil	Nil
2	Helly Harshadkumar Patel	Nil	Nil	Nil	Nil
3	Nitin Rikhavbhai Shah	6,000	-	-	6,000
	<b>Total (1)</b>	<b>6,000</b>	-	-	<b>6,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
1	Lajju Hemang Shah	15,000	-	-	15,000
2	Chirag Rajnikant Shah	12,000	-	-	12,000
3	Hansa Bharatbhai Patel	21,000	-	-	21,000
	<b>Total (2)</b>	<b>48,000</b>	-	-	<b>48,000</b>
	<b>Total (B)=(1+2)</b>	<b>54,000</b>	-	-	<b>54,000</b>
	Total Managerial Remuneration	<b>54,000</b>	-	-	<b>54,000</b>
	Overall Ceiling as Per the Act	The sitting fees paid to other directors are within the maximum prescribed limits.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (Amount in Rs.)**

Sl. No.	Particulars of Remuneration	Name	
		Himanshu Sunil Thakkar	Aanal Bharatbhai Patel
		CFO	Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>7,80,000</b>	<b>1,80,000</b>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	---	---

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		---
2	Stock Option	---	---
3	Sweat Equity	---	---
4	Commission	---	---
	- As % of Profit	---	---
	- others, specify	---	---
5	Others, Contribution to Provident Fund	---	---
	<b>Total (A)</b>	<b>7,80,000</b>	<b>1,80,000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Registered Office:  
Corporate House No. A-1,  
Shivalik Business Centre, B/h.  
Rajpath Club, S. G. Highway,  
Bodakdev, Ahmedabad GJ  
380059

For and on behalf of the Board,  
A-1 ACID LIMITED

Date: 02/09/2020  
Place: Ahmedabad

Sd/-  
Harshadbhai N. Patel  
Chairman & Managing  
Director  
DIN: 00302819

Sd/-  
Jitendra N. Patel  
Whole-Time Director  
DIN: 00164229



**ANNEXURE –IV**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

[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,  
A-1 ACID LIMITED  
(Formerly known as A-1 ACID Private Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by A-1 ACID LIMITED (Formerly known as A-1 ACID Private Limited) (hereinafter called the company) Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the A-1 ACID LIMITED (Formerly known as A-1 ACID Private Limited) (hereinafter called the company) 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 and as per the explanations given to us and representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by A-1 ACID LIMITED (Formerly known as A-1 ACID Private Limited) (hereinafter called the company) (“the Company”) for the financial year ended on 31st March,2020, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2014 (Not applicable to the Company during Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during Audit Period);

(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 (Not applicable to the Company during Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during Audit Period); and

(vi) Other laws as applicable to the company as per the representations made by the management.

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

(i) Secretarial Standard issued by the Institute of Company Secretaries of India.

(ii) The listing agreement entered into by the company with Bombay Stock Exchanges.

3. During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

4. We further report that as far as we have able to ascertain –

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

-The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

-Adequate notice was given to directors in advance to schedule the Board Meetings, Agenda and notes on agenda 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 based upon notices shown to us.

-Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review and minutes of the meetings duly recorded and signed by the chairman as minutes shown to us.

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

7. The equity shares of the Company were listed on SME platform of Bombay Stock Exchange.

Place: Ahmedabad  
Date: 02.09.2020  
UDIN: A053164B000647109

For, Sejal Shah & Associates.

Sd/-  
Sejal Shah  
Company Secretary  
ACS: 53164/C.P. No: 21683

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.

**'Annexure A'**

**To,**  
**The Members,**  
**A-1 ACID LIMITED**  
(Formerly known as A-1 ACID Private Limited)

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

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.

We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.

Based on copy of agenda, minutes and attendance register presented by Management, we have verified that notices were given and minutes have been properly recorded in the Minute Book and the same have been signed.

We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.

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

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 procedure on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
Date: 02.09.2020  
UDIN: A053164B000647109

For, Sejal Shah & Associates.

Sd/-  
Sejal Shah  
Company Secretary  
ACS: 53164/C.P. No: 21683

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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- **ECONOMIC OVERVIEW:**

- **Global Economy:** Financial year 2019-20 witnessed a synchronized slowdown in both the advanced as well as developing economies across the globe. While the trade activities remained weak overall, some green shoots of recovery had started to emerge towards the end of the year. However, the unexpected outbreak of Coronavirus (COVID-19) pandemic disrupted the socio-economic balance across the world. The response to avoid the spread of this pandemic was a multi-phased lockdown resulting in restricted movement of people, goods and services.
- **Indian Economy:** The Indian economy witnessed a cyclical slowdown owing to weak private consumption, sluggish manufacturing activities and muted investments. The Government of India announced various measures to revive the economy, with the Reserve Bank of India (RBI) complementing with an accommodative policy stance for most parts of the year. The Government also took significant steps such as corporate tax rate cut and easing of credit, particularly for the stressed real estate and financial sector. At the same time, measures taken to boost investment, particularly under the National Infrastructure Pipeline, presented green shoots for growth. However, the inopportune COVID-19 outbreak in March 2020, brought the entire nation to a standstill. The consequent nationwide lockdown impacted business activities in all the segments of the economy. As a result, the GDP of 2019-20 plunged to an 11-year-low of 4.2% and the growth of eight core industries declined to 0.6%.

- **CHEMICAL INDUSTRY OVERVIEW:** The world landscape of the chemical industry is rapidly changing. The western countries are losing their share due to high energy prices, labour cost, and currency appreciation. Thus, emerging countries like India and China are capitalizing on this, pushing the industry to the next stage through development in technology, innovation, and trade. This trend is expected to continue in the future.

- **STRENGTHS AND CHALLENGES:**

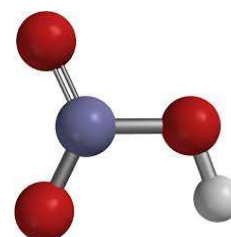
STRENGTHS	CHALLENGES
A-1 ACID LTD. is one of the Largest Trader and Distributors of high quality Industrial Acids & Chemicals since more than Four and a half decade across India.	As the Indian Economy going through lot of turbulence, growth opportunities are bit contracted at this stage.
Experienced Management team.	Competition from local competitors who offer few products at lesser price;
Quality Assurance and Standards.	Material shortage/ undersupply and volatility in prices.
Cordial relationships with our suppliers.	

- **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:** The Company implemented suitable controls to ensure its operational, compliance and reporting objectives are achieved. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness, and compliance is ingrained into the management review process.

Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial control exist in design and operation.

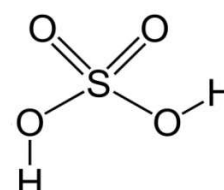
- **SEGMENT REVIEW:** Our company deals in following products:

- **NITRIC ACID (HNO<sub>3</sub>) ALL GRADE (18-40%, 61%, 68%, 72%)** It is also referred to as fuming nitric acid. Depending on the amount of nitrogen dioxide present, fuming nitric acid is further characterized as white fuming nitric acid or red fuming nitric acid, at concentrations above 95%.



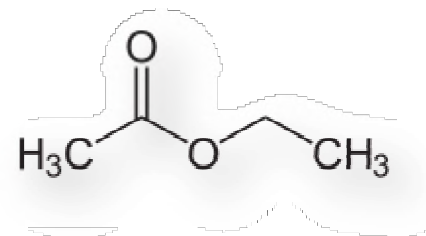
- **HYDROCHLORIC ACID:** Hydrochloric acid is manufactured to food grade and industrial grade specifications. Food grade hydrochloric acid finds use in the production of food ingredients, food additives and in the sugar and brewery industries, while the industrial grade finds application in metal pickling, latex coagulation, dyestuffs, leather treatment, petroleum refining, galvanising and water treatment.

- **SULPHURIC ACID:** Sulphuric acid is a mineral acid with molecular formula H<sub>2</sub>SO<sub>4</sub>. It is a colorless, odorless, and syrupy liquid that is soluble in water, in a reaction that is highly exothermic. Its corrosiveness can be mainly ascribed to its strong acidic nature, and if concentrated its dehydrating and oxidizing properties. It is also hygroscopic, readily absorbing water vapour from the air. Sulphuric acid at even moderate concentrations is very dangerous upon contact with skin.

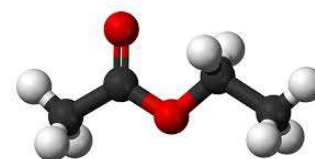


The most common use of sulphuric acid (60% of total) is for fertilizer manufacture. It is also a central substance in the chemical industry. Principal uses include fertilizer manufacturing (and other mineral processing), oil refining, wastewater processing, and chemical synthesis. It has a wide range of end applications including in domestic acidic drain cleaners, as an electrolyte in lead-acid batteries and in various cleaning agents.

- **METHANOL:** Methanol is colorless, volatile, flammable, and poisonous. It is made from the destructive distillation of wood and is chiefly synthesized from carbon monoxide and hydrogen. Methanol is a polar liquid at room temperature. It is used as anti-freeze, solvent, fuel, and as a denaturant for ethanol.



- **ETHYL ACETATE:** This colorless liquid has a characteristic of sweet smell (similar to pear drops) and is used in glues, nail polish remover, decaffeinating tea and coffee, and cigarettes. Ethyl acetate is the ester of ethanol and acetic acid; it is manufactured on a large scale for use as a solvent.



- **FORMIC ACID:** Used as a coagulant for obtaining rubber from latex. As an auxiliary for declining and pickling of fur, fixing of dyes-in leather industry and in processing in textile industry. As an intermediate in manufacturing of basic drugs, plant protection agents, pesticides, vulcanisation accelerators, antioxidants and cleaning agents. Used in preservation of silage and grams. Used in electroplating and as a solvent as well.

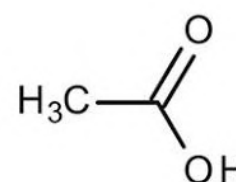
- **CALCIUM CARBONATE:** Calcium Carbonate is a white, odourless powder or colourless crystals. Precipitated calcium carbonate (CAS: 471-34-1) is produced industrially by the decomposition of limestone to calcium oxide followed by subsequent recarbonization or as a by-product of the Solvay process (which is used to make sodium carbonate).



- **TECHNICAL GRADE UREA (TGU):** Technical Grade Urea is an organic compound. Urea serves an important role in the metabolism of nitrogen-containing compounds. Urea is widely used in fertilizers as a source of nitrogen and is an important raw material for the chemical industry. It is a colorless, odorless solid, highly soluble in water, urea is basically non-toxic. The human body uses urea in many processes, most notably nitrogen excretion.



- **ACETIC ACID:** Acetic Acid is used in textile industries for textile processing and printing. Acetic acid is one of the simplest carboxylic acids. It is an important chemical reagent and industrial chemical that is used in the production of plastic soft drink bottles,



photographic film; and polyvinyl acetate for wood glue, as well as many synthetic fibres and fabrics.

- **SODIUM HYPOCHLORITE:** Sodium hypochlorite is an excellent steriliser, oxidiser and decolouring agent. It is used to make disinfectants and a variety of pharmaceutical drugs. It is also widely used for water treatment.

In the process, sodium hypochlorite ( $\text{NaClO}$ ) and sodium chloride ( $\text{NaCl}$ ) are formed when chlorine is passed into cold dilute sodium hydroxide solution. The solution must be kept below  $40^\circ\text{C}$  (by cooling coils) to prevent the undesired formation of sodium chlorate.

- **OLEUM:** Oleum is a cloudy, gray, fuming, oily, corrosive liquid, with a sharp, penetrating odor. Its composition is that of  $\text{H}_2\text{SO}_4$  with dissolved  $\text{SO}_3$ .
- **FORMALDEHYDE & PARAFORMAL DEHYDE:** Formaldehyde-based resins are used for making particle boards, medium density fireboard, plywood, cabinets, laminated countertops and insulation. Throughout the chemical industry and in the production of textile binders and paints.

- **CAUSTIC SODA LYE/ FLAKES:** Caustic soda is also known as lye or sodium hydroxide and is widely used in alumina refineries and in the manufacture of soaps and detergents, viscose fibre production and zeolite. It is also a raw material for a large number of chemicals used in the paper, textiles, dyes, refinery and other industries. Considered to be the most common base in chemical laboratories, caustic soda also finds use in the production of food additives.



- **HF-60%:** Hydrofluoric (HF) acid is used mainly for industrial purposes (e.g. glass etching, metal cleaning, electronics manufacturing). HF acid also may be found in home rust removers. HF solutions are particularly used in the glass industry (frosting, staining), in crystal activities (defrosting) and in ceramics activities. Also, in metallurgical field, these grades are used in surface treatment, cast-iron-steel and stainless steels cleaning. HF solutions are also used in other more general applications such as the separation of rare earth, or utilized as a catalyst.





**PROVIDING LIQUID CHEMICAL TRANSPORTATION ALL OVER INDIA:** Our Company provides transportation facilities to our customers through our owned fleet of tankers. Our products are marketed and sold in the states of Punjab, Gujarat, Maharashtra, Telangana, Jharkhand, Haryana, Karnataka, Madhya Pradesh, Odisha, Rajasthan, Andhra Pradesh, West Bengal and Uttar Pradesh. The products are provided to the customer on demand basis and as and when demand arises, the product is procured from the suppliers including companies like Gujarat Narmada Valley Fertilizers Company Limited (GNFC), Gujarat State Fertilizers & Chemicals Limited (GSFC), Hindalco Industries, Nirma Ltd, SRF Ltd, KIRI Industries & many other Industrial Units and is made available to the customer.

Note: The Performances of our products and services are covered in and form part of Director's Report.

- DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:** The country witnessed lockdown being implemented in the second fortnight of March 2020. Our Company has taken all safety precautions as per guidelines from the Government. During the period under the review, the company has reported a total income of Rs. 13360.01 lakhs, this is 11.01% less than the previous year. Profit before tax for the period under the review is Rs. 407.60 Lakhs, this is 27.44% less than the previous year.
- MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:** We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

Category	No. of Employees
Chairman cum Managing Director, Whole-Time Director	3
Independent & other Non-Executive	6

<b>Director</b>	
<b>Accounts &amp; Administration</b>	4
<b>Financial Operations</b>	1
<b>Secretarial &amp; Legal</b>	1

Our HR Department ensures competent and committed team engaged in building a culture of learning to achieve excellence in performance and employee satisfaction by enhancing their skills through Training & Development Programs for innovation & continual improvement of the employees. At A-1 Acid, we lay a lot of emphasis on transparent and open two-way communication between the management and the employee.

- **OUTLOOK:** The outlook for the global economy 2020 looked hopeful until the outbreak of Covid-19. It unleashed an unexpected blow through lockdown, by clogging off the demand and disrupting supply chain worldwide. This led the Government all around the world to announce stimulus packages to revive business, strengthen public health safety and security. The gradual lifting of lockdown will slowly allow reopening of the economy and force major economies to re-think about their raw material procurement strategy which was highly dependent on single source.

Major challenges remain for the Indian chemical companies. The chemical industry is highly fragmented with intense rivalry among companies. Because 100 percent FDI is allowed, domestic players can face stiff competition from foreign multinationals that have the ability to exert strong price pressures on local markets. Huge capital requirements, patent protection, R&D costs and personnel requirements present other challenges.

But for every challenge there is an equal if not greater opportunity. The fact remains that the center of gravity for the global chemical industry is moving to the East, and Indian chemical companies are well-positioned to take advantage of this transition.

Our company is focusing on cost reduction measures as well as to improve processes to enhance customer satisfaction which will have a long term benefit in helping our company to achieve its goals and scale new heights in the growth path. This will not only help us in providing product at better economical & competitive rate but will also give us an overall ace in the Industrial Chemical Sector. With good order book and customer support and the product variety in hand, we expect good growth in the whole year.

- **RISKS AND CONCERNS:** Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company takes a fresh look at the risk management framework through our Audit Committee at least once in a year. The review involved understanding the existing risk management initiatives and assessment of risks in the businesses as the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization. The audit Committee has periodically reviewed the risks in the business and recommended appropriate risk mitigating actions.

The business of the Company is likely to be affected by various internal and external risks enumerated as under:

- Our success depends largely upon the services of our Promoter, Directors and other key managerial personnel and our ability to attract and retain them.
- The prices we are able to obtain for the products that we trade depend largely on prevailing market prices.
- We face intense competition in our businesses, which may limit our growth and prospects.
- Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

- Global recession and market conditions could cause our business to suffer.
- Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.
- Tax rates applicable to Our Company may increase and may have an adverse impact on our business.
- Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular. As a responsible employer, to ensure occupational safety and employment standards, your Company maintains strict safety and quality control programs to monitor and control these operational risks.

● **SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:**

Key Financial Ratios	Financial Year 2019-2020	Financial Year 2018-2019	Change in %	Explanation
<b>Profitability Ratios (%)</b>				
Operating Profit Margin	4.159	4.807	(13.48)	-
Net Profit Margin	2.555	2.97	(13.88)	-
Return on Net Worth	31.04	41.83	(25.80)	Due to Economic Slowdown and Demand-Supply Fluctuations in the industry.
<b>Working Capital Ratios (Days)</b>				
Debtors Turnover	79	67	(19.16)	-
Inventory Turnover	2.65	2	(32.67)	a.) Higher Inventories levels because of Subdued demand due to Industrial slowdown in second half of FY 19-20 (higher procurement of Materials at lower cost). b.) Spread of Covid-19 pandemic.
<b>Gearing Ratios</b>				
Interest Coverage	5.18	5.84	(11.39)	-
Debt/Equity	0.33	0.53	37.11	Company launched its SME IPO during FY 2018-19, so there is increase in the Securities Premium. Also there is decrease in the current liabilities.
<b>Liquidity ratios</b>				
Current Ratio	4.28	3.35	27.54	Co. has effectively reduced it's outside liabilities.

- **DISCLOSURE OF ACCOUNTING TREATMENT:** The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standards.
- **CAUTIONARY STATEMENT:** Readers are cautioned that this **Management Discussion & Analysis** pertaining to A-1 Acid Limited contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words “anticipate,” “believe,” “estimate,” “intend,” “will,” and “expected” and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements as these are relevant at a particular point of time and adequate restraint should be applied in their use for any decision making or formation of an opinion. This document does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This document neither gives any guarantee of return nor any recommendation of investment in the securities of the Company.

**ANNEXURE-VI TO BOARD'S REPORT  
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 arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis.

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

<b>Name of Related Party</b>	<b>Nature of relationship</b>	<b>Nature of Contract / agreement / transactions</b>	<b>Duration of contracts / agreements / transactions</b>	<b>Salient terms of contracts or agreements , or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any:</b>	<b>Amount paid as advances, if any:</b>
Harshadkumar Naranbhai Patel	Managing Director	Rent Paid	-----	-----	08.04.2019	-----
Jitendra N. Patel	Whole-time director	Rent Paid	-----	-----	08.04.2019	-----
Krishnaben N. Patel	Mother of Director	Rent Paid	-----	-----	08.04.2019	-----
Binduben J. Patel	Wife of Director	Rent Paid	-----	-----	08.04.2019	-----
Ritaben H. Patel	Wife of Director	Rent Paid	-----	-----	08.04.2019	-----
Numeron Multicuisine Restaurant	The director is proprietor of this firm.	Staff Welfare expenses Paid & Transportation Charges Received	-----	-----	08.04.2019	-----

Note: Appropriate approvals have been taken for related party transactions. If required.

## Annexure-VII to Board's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

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

Corporate Social Responsibility (CSR) is a large part of our overall sustainability policy encompassing social, economic and environmental actions. The policy is also aimed at demonstrating care for the community through its focus on education, healthcare, community development projects/programs etc. and supplementing the efforts of the local institutions/NGOs in the aforesaid fields to meet priority needs of the marginalized and underserved communities with the aim to help them to become self-reliant. These efforts are to be undertaken preferably in the local area and areas around our work centres/ project sites or other area/s if public needs so demands.

The Company approaches Corporate Social Responsibility (CSR) strategically – in order to ensure a sustainable future for people and planet. By focusing our talent, technology, and capital on social welfare, health care issues and educational concerns, we strive to enact positive social change in the society.

The CSR activities undertaken can be briefly summarized as follows:

- Promoting Education
- Promoting Socio economic development and relief
- Eradicating hunger, poverty & malnutrition
- Promoting Environmental Sustainability
- Social and Women Empowerment
- Various other social matters

The projects/programmes/activities undertaken/to be undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

2. **The Composition of CSR Committee:**

Name	Designation
Chirag Rajnikant Shah	Chairman of CSR Committee
Nitin Rikhavbhai Shah	Member
Harshadkumar Naranbhai Patel	Member

3. **Average net profits of the Company for the last three financial years:**  
Rs. 4,78,08,064

(Amount in Rs.)

Particulars	For the Financial Year		
	2018-19	2017-18	2016-17
Net Profit calculate u/s 198 for preceding three Financial Years	5,63,31,262	3,88,14,270	4,82,78,660

4. Prescribed CSR Expenditure (2% of average net profit) :  
Rs. 9,56,162

5. Details of CSR spent during the Financial Year:

(a)	Total amount spent for the financial year i.e. 2019-20	Rs.7,10,000
(b)	Amount unspent, if any	Rs.2,46,162
(C)	Manner in which the amount spent during the financial year	As per table below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where the project or Programs were undertaken	Amount outlay (budget) project or programs wise (INR)	Amount spent on the projects or programs subhead (1) Direct Expenditure on projects or programs (2) Overhead (INR)	Cumulative expenditure upto the reporting period (INR)	Amount spent: Direct or through implementing agency
1	Contribution to the PM CARES Fund	Socio - economic development and relief etc.	---	2,00,000	2,00,000	2,00,000	Direct to the PM CARES Fund
2	Contribution for Education	Education	---	5,00,000	5,00,000	5,00,000	Direct to Sardardham for CSR activities
3	Contribution for Education	Education	---	10,000	10,000	10,000	Direct to Consumer Education and Research Centre

6. **Reasons for not spending amount allocated for CSR activities:** Pursuant to General Circular no. 10/2020 dated March 23, 2020, MCA clarified that Spending of CSR funds for COVID-19 is eligible CSR activity. The Company spent Rs. 2,50,000/- towards Chief Minister's National Relief Fund for COVID-19 but Pursuant to General Circular No. 15/2020 dated April 10, 2020, MCA issued "COVID-19 related FAQs on CSR", in which government clarified that Contribution to Chief Minister's Relief Fund for COVID-19 shall not qualify as admissible CSR expenditure. Therefore, Company has earmarked funds in line with its CSR Policy as well as prescribed CSR Expenditure. It is the

Company's continuous endeavour to increase its CSR impact and spend over the coming years supplemented by its continued focus towards sustainable development and responsible infrastructure.

**7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

The Company recognizes its obligations to act responsibly, ethically and with integrity in its dealings with employees, community, customers and the environment as a whole. We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Registered Office:  
Corporate House No. A-1,  
Shivalik Business Centre, B/h.  
Rajpath Club, S. G. Highway,  
Bodakdev, Ahmedabad  
380059

For and on behalf of the Board,  
A-1 ACID LIMITED

Date: 02/09/2020  
Place: Ahmedabad

Sd/-  
Harshadbhai N. Patel  
Chairman & Managing  
Director  
DIN: 00302819

Sd/-  
Jitendra N. Patel  
Whole-Time Director  
DIN: 00164229



## ANNEXURE-VIII

### DISCLOSURE UNDER SECTION 197(12), READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014].

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20.

#### A. Remuneration of Whole-Time Directors & Managing Director:

Sr. No.	Name of Director	Remuneration (Rs. In Lacs)	Ratio of remuneration to Median Remuneration of the employees	% increase in Remuneration in year ended 31 March 2020
1	Harshad N Patel, Chairman & Managing Director	66.12	11.39:1	Nil
2	Jitendra N Patel, Whole-Time Director	48.12	8.29:1	Nil
3	Utkarsh H Patel, Whole-Time Director- Logistics	42.12	7.26:1	Nil

#### B. Remuneration of Non-Executive Directors:

Sr. No.	Name of Director	Designation	Ratio to MRE of the employees
4	Hansaben B. Patel	Non-Executive Director	0.04:1
5	Lajju H. Shah	Independent Director	0.03:1
6	Chirag R. Shah	Independent Director	0.02:1
7	Krishna Utkarsh Patel	Non-Executive Additional Director	Nil
8	Helly Harshadkumar Patel	Non-Executive Additional Director	Nil
9	Nitin Rikhavbhai Shah	Non-Executive Additional Independent Director	0.01:1

**Note:** The remuneration of Independent and Non-Executive Directors comprises of only sitting fees paid to them for attending the meetings of the Board and other committee meetings. Hence, the percentage increase of their remuneration has not been considered for the above purpose.

**C. Remuneration to Key Managerial Personnel:**

Sr. No.	Name of Director	Designation	% increase in Remuneration in year ended 31 March 2020
10	Himanshu S. Thakkar	CFO	13%
11	Aanal Patel	Company Secretary & Compliance Officer	-

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: as above

3. The percentage increase in the median remuneration of employees in the financial year 2019- 20: 15% (approx.).

4. The number of permanent employees on the rolls of Company in the financial year 2019-20: 6 Employees

5. Average percentile increase made in the salaries of employees other than the managerial remuneration in the last financial year was 10%. The increase is based on economic factors mainly on account of Inflation, Performance Rise, availability of the required talent, status of the relevant industry etc.

6. Affirmation that the remuneration is as per the remuneration policy of the Company  
-We affirm that the remuneration paid is as per the remuneration policy of the Company.

Registered Office:  
Corporate House No. A-1,  
Shivalik Business Centre, B/h.  
Rajpath Club, S. G. Highway,  
Bodakdev, Ahmedabad-  
380059

For and on behalf of the Board,  
A-1 ACID LIMITED

Date: 02.09.2020  
Place: Ahmedabad

Sd/-  
Harshadbhai N. Patel  
Chairman & Managing  
Director  
DIN: 00302819

Sd/-  
Jitendra N. Patel  
Whole-Time Director  
DIN: 00164229

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of A-1 Acid Limited**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the accompanying standalone financial statements of A-1 Acid Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, and its profits and cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified (SAs) under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### **Emphasis of matter**

We draw attention to Note 28 to the Standalone Financial Statement, as regards the Board of Directors' evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

##### **Key Audit Matters**

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.

Sr.	Key Audit Matter	Auditor's Response
	<p>Recoverability assessment of trade receivables: The Company has a net trade receivables of INR 264031816 after providing for bad and doubtful debts of INR Nil as at 31st March, 2020.</p> <p>Trade receivables of the Company comprises mainly receivables in relation to the Company's (i) trading business regarding the sale of Acid and (ii) services rendered for Transportation.</p> <p>The increasing challenges over the economy and operating environment in the trading industry during the year have increased the risks of default on receivables from the Company's customers. In particular, in the event of insolvency of customers, the Company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements Of the agreements.</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer.</p> <p>Management would make provision based on the established model as well as specific provision against individual balances with reference to its recoverable amount.</p> <p>For the purpose of establishing provisioning model to make provision for bad and doubtful debts, significant judgments and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables, are required to be made.</p>	<p><b>Our response to the risk:</b></p> <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>- Identification of loss events, including early warning and default warning indicators;</li> <li>- Assessment and approval of individual loss provisions;</li> <li>- Governance including model validation and the assessment of the suitability of models, appropriateness of assumptions, and approval of provisions; and Completeness and accuracy of data input into models and provision calculators.</li> </ul> <p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>• Tested the accuracy of aging of trade receivables at year end on a sample basis;</li> <li>• Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management as well as conducting market research on the industry;</li> <li>• Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and</li> <li>• Tested subsequent settlement of trade receivables after the balance sheet date on a Sample basis if any,</li> </ul> <p>For modeled provisions, we tested data inputs used for modeled provisions. We assessed the appropriateness of the models used.</p> <p>We re performed the provision calculations and compared our measurement outcome to that prepared by management and investigated any Differences arising.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report including Annexures to the Directors' Report but does not include the standalone financial statements and our auditor's report thereon. The other information 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 identified above when it becomes available 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.

When we read the other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 the 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 standalone 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 standalone 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 Section 143(3) of the Act, based on our audit, 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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that:  
  
According to the records of the Company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For, Riddhi P. Sheth & CO**  
**Chartered Accountants**  
**FRN: 140190W**

**Sd/-**  
**(Riddhi P. Sheth)**  
**Proprietor**  
**Membership No.:159123**

**Place: Ahmedabad.**  
**Date: July 21, 2020**



## **Annexure A to the Independent Auditors' Report**

[Annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report on financial statements for the year ended March 31, 2020 to the members of A-1 Acid Limited]

### **Report on Internal Financial Controls over Financial Reporting**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of A-1 Acid Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed 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, Riddhi P. Sheth & CO**  
**Chartered Accountants**  
**FRN: 140190W**

**Sd/-**  
**(Riddhi P. Sheth)**  
**Proprietor**  
**Membership No.:159123**

**Place: Ahmedabad.**  
**Date: July 21, 2020**

## **Annexure B to the Independent Auditors' Report**

[Annexure referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report on financial statements for the year ended March 31, 2020 to the members of A-1 Acid Limited]

### ***Referred to in our report of even date***

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) According Majority of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) The company does not have any immovable properties of freehold or leasehold land and building, and hence reporting under clause 3(i)(c) of the order is not applicable.
- ii. (a) As explained to us, inventories have been physically verified at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. No material discrepancies were noticed during such verification.
- iii. The company has not granted any loans, secured or unsecured to companies, firm, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the provisions of Clause 3 (iii) (a), (b) and (c) of the said Order are not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us and on the basis of examination of the records of the company, the company has not given any loans, guarantees and securities and made investments covered under section 185 and 186 of the Companies Act, 2013 and hence not commented upon.
- v. In our opinion, and according to the information and explanation given to us the company has not accepted deposits as per the directives issued by the reserve bank of India under the provision of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (V) of the order is not applicable to the company.
- vi. As informed to us and according to the explanations given to us The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act, 2013 for any of the products manufactured/ services rendered by the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, duty of customs, and

other material statutory dues, as applicable, though there has been a slight delay in few cases, with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax as at 31 March, 2020 which have not been deposited with the appropriate authorities on account of any dispute.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The company did not have any outstanding dues to debenture holders during the year.
- ix. Based on the information and explanations given by the management and on an overall examination of the balance sheet, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and that the term loans have been applied for the purposes for which they were raised.
- x. 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 neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the notes to the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non cash transactions with its directors or

persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not a applicable to the Company.

**For, Riddhi P. Sheth & CO**  
**Chartered Accountants**  
**FRN: 140190W**

**Sd/-**  
**(Riddhi P. Sheth)**  
**Proprietor**  
**Membership No.:159123**

**Place: Ahmedabad,**  
**Date: July 21, 2020**

<b>A-1 ACID LIMITED</b>				
<b>Standalone Balance Sheet as at March 31, 2020</b>				
			(Rupees )	(Rupees )
	<b>PARTICUALRS</b>	<b>Note No.</b>	<b>As At March 31, 2020</b>	<b>As At March 31, 2019</b>
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	Share Capital	4	100000000	100000000
	Reserves and Surplus	5	277705551	246667393
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long Term Borrowings	6	34708907	68719718
	Deferred Tax Liabilities (Net)	11	8222292	8480201
<b>3</b>	<b>Current Liabilities</b>			
	Short Term Borrowings	7	8451197	60018854
	Trade Payables	8		
	Total Outstanding Dues of Micro Enterprises and Small Enterprises		0	0
	Total Outstanding Dues of Creditors other than Micro and Small Enterprise		2653766	11781997
	Other Current Liabilities	9	71863665	34751848
	Short Term Provisions		0	0
	<b>Totals</b>		<b>503605378</b>	<b>530420011</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
	Property,Plant and Equipment			
	Tangible Assets	10	118629429	141757391
	Intangible Assets		3100000	3100000
	Capital Work in Progress		3052903	2739344
	Long Term Loans and Advances	12	23967093	25511308
<b>2</b>	<b>Current Assets</b>			
	Inventories	13	10978872	6683552
	Trade Receivables	14	259133947	268745656
	Cash and Cash Equivalent	15	5727760	4418016
	Short Term Loans and Advances	16	48390866	60387383
	Other Current Assets	17	30624508	17077361
	<b>Totals</b>		<b>503605378</b>	<b>530420011</b>

Significant Accounting Policies and Notes to Accounts

1 to 28

As per our Report of even date attached

For and on Behalf of Board

**FOR, RIDDHI P.SHETH & CO.**  
Chartered Accountants  
FRN : 140190W

**FOR, A-1 ACID LIMITED**

Sd/-  
Riddhi P.Sheth  
Proprietor  
M.No.159123

Sd/-  
Harshadkumar Patel  
Chairman & Managing  
Director

Sd/-  
Jitendra Patel  
Whole Time Director

Sd/-  
Himanshu Thakkar  
CFO

Sd/-  
Aanal Patel  
Company Secretary

Place : Ahmedabad

Place : Ahmedabad

DATE : July 21, 2020

DATE : July 21, 2020

<b>A-1 ACID LIMITED</b>				
<b>Standalone Statement of Profit and Loss for the year ended on March 31, 2020</b>				
			(Rupees )	(Rupees)
	<b>PARTICUALRS</b>	<b>Note No.</b>	<b>Year ended on March 31, 2020</b>	<b>Year ended on March 31, 2019</b>
I	Revenue from Operations	18	1214757730	1409895712
II	Other Income	19	121243963	91334502
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>1336001692</b>	<b>1501230214</b>
<b>IV</b>	<b>Expenses</b>			
	Purchase of stock-in-trade		1044626538	1228873429
	Tanker & Transport Expenses		161240748	139714512
	Changes in inventories of finished goods, Work in Progress and Stock in Trade	20	-4295320	2084615
	Employee Benefits Expenses	21	26606653	25462609
	Finance Cost	22	10160211	11733966
	Depreciation and Amortization Expenses		27553523	17632384
	Other Expenses	23	29349687	19555178
	<b>Total Expenses (IV)</b>		<b>1295242040</b>	<b>1445056693</b>
IX	Profit Before Tax (VII-VIII)		40759653	56173521
X	Tax Expenses			
	Current Tax		<b>10323747</b>	13118392
	Deferred Tax		<b>-257909</b>	1226518
	Profit (Loss) for the period from continuing operations		30693814	41828611
	Tax Adjustment of Earlier Year		344343	0
	Profit(Loss) after Tax Adjustment		31038157	41828611
XII	Profit (Loss)for the period (XI+XIV)		31038157	41828611
	Earning Per Equity Share			
XIII	Basic and Diluted	25	<b>3.10</b>	<b>4.97</b>

As per our Report of even date attached

For and on Behalf of Board

**FOR, RIDDHI P.SHETH & CO.**  
Chartered Accountants  
FRN : 140190W

**FOR, A-1 ACID LIMITED**

Sd/-  
Riddhi P.Sheth  
Proprietor  
M.No.159123

Sd/-  
Harshadkumar Patel  
Chairman & Managing  
Director

Sd/-  
Jitendra Patel  
Whole Time Director

Sd/-  
Himanshu Thakkar  
CFO

Sd/-  
Aanal Patel  
Company Secretary

Place : Ahmedabad

Place : Ahmedabad

DATE : July 21, 2020

DATE : July 21, 2020

A-1 ACID LIMITED

Standalone Statement of Cash Flow for the year ended on March 31, 2020

Particulars	Year ended on March 31, 2020		Year ended on March 31, 2019	
	(In Rupees)	(In Rupees)	(In Rupees)	(In Rupees)
<b>1. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit before Taxation</b>		40,759,653		56,173,521
<b>ADD:</b>				
Depreciation	27,553,523		17,632,384	
Interest Expense	9,761,336		11,603,220	
Loss in Sale of Fixed Assets	-		157,741	
Sundry Balance Written Off	1,233,565		1,482,282	
Bad Debts Written Off	1,474,728	40,023,152	754,844	31,630,471
<b>LESS:</b>				
Profit on Sale of Fixed Assets	(130,290)		-	
Depreciation Written Back	-		-	
Dividend Income	-		-	
Interest Income	(1,206,939)	(1,337,229)	(424,309)	(424,309)
<b>Operating Profit Before Working Capital Changes</b>		<b>79,445,576</b>		<b>87,379,682</b>
<b>ADD/LESS Changes for Working Capital</b>				
Increase/(Decrease) in Trade Payables	(9,128,233)		(19,974,074)	
(Increase)/Decrease in Inventories	(4,295,320)		2,084,615	
(Increase)/Decrease in Trade Receivables	6,903,416		(25,557,513)	
Increase/(Decrease) in Other Current Liabilities	37,111,817		(26,778,652)	
(Increase)/Decrease in Long Term Loans & Advances	1,544,215		(18,936,357)	
(Increase)/Decrease in Short Term Loans & Advances	13,013,804		(25,557,749)	
(Increase)/Decrease in Current Assets	(13,547,147)		(17,077,361)	
Increase/(Decrease) in Provisions	-		-	
<b>Less: Adjustment for Taxes:</b>		31,602,552		(131,797,091)
Direct Taxes Paid	(10,996,691)		(16,690,876)	
Wealth Tax Paid	-		-	
Income Tax Refund	-	(10,996,691)	-	(16,690,876)
<b>Cash Generated from Operation (A)</b>		<b>100,051,437</b>		<b>(61,108,285)</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Interest Income	1,206,939		424,309	
Increase in Current Investments	-		-	
Increase in Non Current Investments	-		-	
Sale of Fixed Assets	3,499,062		1,166,500	
Purchase of Fixed Assets	(8,107,892)		(75,055,016)	
Increase in other Current Assets	-		-	
Increase in other Non Current Assets	-		-	
Dividend Income	-	(3,401,891)	-	(73,464,207)
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(3,401,891)</b>		<b>(73,464,207)</b>
<b>3 CASH FLOW FROM FINANCING ACTIVITY :</b>				
Proceeds from/(Repayment) of Long Term Borrowings	(34,010,811)		23,809,254	
Proceeds from/(Repayment) of Short Term Borrowings	(51,567,656)		(43,529,218)	
Dividend Paid	-		-	



Interest Paid	(9,761,336)		(11,603,220)	
Proceeds from Issuance of Shares in IPO (Net)	-		167,077,740	
<b>Net Cash Flow from Financing Activities (C)</b>	-	<b>(95,339,803)</b>	-	<b>135,754,556</b>
Net Increase or Decrease in Cash and Cash Equivalents (A+B+C)		<b>1,309,744</b>		1,182,065
Opening Cash and Cash Equivalents		4,317,586		3,135,521
Closing Cash and cash Equivalents		5,627,330		4,317,586

As per our Report of even date attached  
**FOR, RIDDHI P.SHETH & CO.**  
**Chartered Accountants**  
**FRN : 140190W**

For and on Behalf of Board  
**FOR, A-1 ACID LIMITED**

**Sd/-**  
**Riddhi P.Sheth**  
**Proprietor**  
**M.No.159123**

**Sd/-**  
**Harshadkumar Patel**  
**Chairman & Managing**  
**Director**

**Sd/-**  
**Jitendra Patel**  
**Whole Time Director**

**Sd/-**  
**Himanshu Thakkar**  
**CFO**

**Sd/-**  
**Aanal Patel**  
**Company Secretary**

**Place : Ahmedabad**  
**DATE : July 21, 2020**

**Place : Ahmedabad**  
**DATE : July 21, 2020**

## **A-1 ACID LIMITED**

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES :**

#### **1. Corporate Information:**

A-1 Acid Limited is a Limited company domiciled in India and incorporated under the Provisions of Companies Act, 1956. The company is engaged in the wholesale trading of Acid & Chemicals and also in transportation business. The Company was listed with BSE Limited on SME platform from October 10, 2018.

#### **2. Basis of accounting and preparation of Financial Statements**

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of Financial Statements are consistent with these of previous period.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – noncurrent classification of assets and liabilities.

#### **3. Significant accounting policies**

##### **3.1 Use of Estimates**

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

##### **3.2 Property, Plant and Equipment**

PPE are valued at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and all the expenses incurred up to preoperative period.

### **3.3 Depreciation and amortization**

Depreciation on assets has been provided on the Straight Line method based on the useful lives prescribed in Schedule II to the Companies Act. In respect of addition and sales of assets during the year, depreciation is provided on pro rata basis. The Company has kept the residual value @5% of original cost.

### **3.4 Borrowing costs**

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets.

### **3.5 Inventories**

Inventories are valued at the lower of cost (on FIFO) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies, transit insurance and receiving charges.

### **3.6 Investments**

There are no Investments.

### **3.7 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### **Sale of Goods:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The company collects value added taxes (VAT)/Goods and Service Tax on behalf of the government and, therefore, there are no economic benefits flowing to the company. Hence, they are excluded from revenue.

#### **Other Income:**

Transport receipts and other Income are recognized on Accrual basis.

### **3.8 Income Tax:**

#### **Current Tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that

are enacted or substantively enacted, at the reporting date. Current Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

### **Deferred Tax:**

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### **3.9 Earning per Share:**

Basic earning per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

### **3.10 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **3.11 Provisions:**

A provision is recognized when the company has a present obligation as a result of past event. It is possible that an outflow of resources embodying benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **3.12 Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present

obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also

arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but disclosed its existence in the financial statements.

**3.13. Value of imported and indigenous raw materials consumption:**

	<b>Previous Year</b>		<b>Current Year</b>	
	Value (Rs.)	Percentage of total consumption	Value (Rs.)	Percentage of total consumption
Imported	0	0	0	0
Indigenous	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**3.14. Segment Reporting:-**

**Primary Business Segment:-**

The Company is primarily engaged in whole sale trading of acid & chemicals and accordingly this is the only primary reportable segment as per accounting standard 17.

**Geographical Segments:-**

The Company primarily sells its products within India only and hence accordingly there is only single geographical reportable segment.

**3.15. Expenditure in foreign currency**

<b>Particulars</b>	<b>Foreign Currency</b>	<b>Equivalent Indian Currency</b>
Import of Capital Goods	Nil	Nil
Travelling Expense	Nil	Nil
Total	Nil	Nil

**A-1 ACID LIMITED**

A-1, Shivalik Business Centre, B/h Rajpath Club,  
Off.S.G.Highway, Bodakdev, Ahmedabad-380058

**NOTES TO FINANCIAL STATEMENTS:**

<b>NOTE : 4</b>	<b>AS AT</b>		<b>AS AT</b>
<b>SHARE CAPITAL</b>	<b>31/03/2020</b>		<b>31/03/2019</b>
<b>AUTHORISED</b>			
12000000 Equity Shares of Rs. 10/- Each (12000000 Equity Shares of Rs. 10/- Each)	120000000		120000000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>			
----- 10000000 Equity Shares of Rs. 10/- each fully paid up (10000000 Equity Shares of Rs. 10/- each fully paid up)	100000000		100000000
<b>TOTAL Rs. &gt;&gt;&gt;</b>	100000000		100000000

**Termes/Rights attached to Equity Shares**

i) The Company has single class of equity shares having par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend declared from time to time.

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

<b>Equity Shares</b>	<b>31/03/2020</b>		<b>31/03/2019</b>	
	<b>No.</b>	<b>Amount Rs.</b>	<b>No.</b>	<b>Amount Rs.</b>
At the beginning of the period	10000000	100000000	7000000	70000000
Add: Shares issued during the period	0	0	3000000	30000000
<b>Outstanding at the end of period</b>	<b>10000000</b>	<b>100000000</b>	<b>10000000</b>	<b>100000000</b>

**Details of shareholders holding more than 5% shares in the Company**

<b>Name of the Shareholders</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>% of Equity Share</b>	<b>No. of Shares held</b>	<b>% of Equity Share</b>	<b>No. of Shares held</b>
Harshadbhai N Patel	27.30%	2730000	27.30%	2730000
Jitendrabhai N Patel	27.30%	2730000	27.30%	2730000
Krishnaben Naranbhai Patel	7.70%	769600	7.70%	769600
Utkarsh H Patel	7.70%	770000	7.70%	770000

As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal Statement of Profit and Loss for the year ended 31st March, 2020

**Bonus Shares / Buy Back / Shares for consideration other than Cash issued during past five years**

Particulars	Year ( Aggregate No. of Shares)			
	2019-20	2018-19	2017-18	2016-17
Equity Shares :				
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
Fully paid up by way of bonus shares	-	-	6,000,000	-

60,00,000 Equity Shares of Rs. 10 each fully paid up, were issued as bonus shares during the month of December 2017, by utilisation of Rs.6 00,00,000 from surplus, pursuant to a bonus issue approved by shareholders.

<b>NOTE : 5</b>				
<b>RESERVE AND SURPLUS</b>		AS AT 31/03/2020		AS AT 31/03/2019
<b>General Reserve</b>				
Opening Balance	3260600		3260600	
Additions during the year	0		0	
		3260600		3260600
<b>Securities Premium</b>				
Opening Balance	137077740		0	
Premium received on issuance of shares	0		150000000	
IPO Expenses adjusted against Securities Premium	0		(12922260)	
		137077740		137077740
<b>Balance at the end of the year</b>				
<b>Surplus</b>				
Opening Balance	106329053		64500442	
Additions during the year	<b>31038157</b>		41828611	
		137367211		106329053
<b>TOTAL Rs. &gt;&gt;&gt;</b>		277705551		246667393.4

<b>NOTE : 6</b>			
<b>LONG TERM BORROWINGS</b>		AS AT 31/03/2020	AS AT 31/03/2019
<b>(a) Term Loans</b>			
From Banks (refer Note No.6.1)		34708907	49132140
From Financial Institutes (refer Note No.6.1)		0	19587578
<b>TOTAL Rs. &gt;&gt;&gt;</b>		34708907	68719718

<b>NOTE : 6.1</b>				
<b>LONG TERM BORROWINGS</b>	Non Current Portion		Current Portion	
	AS AT 31/03/2020	AS AT 31/03/2019	AS AT 31/03/2020	AS AT 31/03/2019
<b>(a) Term Loans</b>				
From Banks	34708907	49132140	20484004	15399722
From Financial Institutes	0	19587578	19299727	3005401
<b>TOTAL Rs. &gt;&gt;&gt;</b>	34708907	68719718	39783732	18405123

### Terms of Repayment of Secured Loans

Particulars	Nature of Loan	Mode of Payment	Interest	Nature of Security
Axis Bank & HDFC Bank	Vehicles	EMI	Various Int. rate from 8.50% to 10.56%	Respective Assets under Finance

<b>NOTE : 7</b>				
<b>SHORT TERM BORROWINGS</b>	AS AT 31/03/2020		AS AT 31/03/2019	
<b>Loans repayable on demand (Secured)</b>				
Cash Credit facilities from a scheduled bank (Secured by Hypothecation of Book Debt and Stock and all movable Fixed Assets.)		8451197		60018854
<b>TOTAL Rs. &gt;&gt;&gt;</b>		8451197		60018854

<b>NOTE : 8</b>				
<b>TRADE PAYABLES</b>	AS AT 31/03/2020		AS AT 31/03/2019	
Micro, Small and Medium Enterprises		0		0
Related Parties		0		179235
Others		2653766		11602762
<b>TOTAL Rs. &gt;&gt;&gt;</b>		2653766		11781997

a) The Company has not received any intimation from supplier regarding their status under Micro, Small and Medium enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under said Act could not be furnished



<b>NOTE : 9</b>		
<b>OTHER CURRENT LIABILITIES</b>	AS AT 31/03/2020	AS AT 31/03/2019
Current Maturities of Long Term Debt (Note 6.1)	39783732	18405123
Duties & Taxes Payable	2261841	0
Advances from Customers	11905148	11014621
Other Advances	0	281275
Other Expenses Payable	924151	336989
Direct Expenses Payable	16988794	4713840
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>71863665</b>	<b>34751848</b>

<b>NOTE : 11</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>	AS AT 31/03/2020	AS AT 31/03/2019
<b>Deferred Tax Liabilities</b>		
Difference between book depreciation and tax depreciation	8222292	8480201
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>8222292</b>	<b>8480201</b>

<b>NOTE : 12</b>		
<b>LONG TERM LOANS AND ADVANCES</b>	AS AT 31/03/2020	AS AT 31/03/2019
(Unsecured considered good)		
Security Deposits	23967093	25511308
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>23967093</b>	<b>25511308</b>

<b>NOTE : 13</b>		
<b>INVENTORIES</b>	AS AT 31/03/2020	AS AT 31/03/2019
Finished Goods	10978872	6683552
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>10978872</b>	<b>6683552</b>

<b>NOTE : 14</b>		
<b>TRADE RECEIVABLES</b>	AS AT 31/03/2020	AS AT 31/03/2019
Unsecured, considered good		
More than six months	77033921	61790906
Others	183574755	206954750
Less: Provision for Bad & Doubtful debts	1474728	0
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>259133947</b>	<b>268745656</b>

\* Include Amount of Rs.31,04,607/- receivable from related parties.

NOTE: 10

Property, Plant and Equipment

SR. NO.	ASSETS	GROSS BLOCK (AT COST)					ACCUMULATED DEPRECIATION					NET BLOCK	
		As At 01.04.2019	Additions	Transferred from Other Block	Disposals/ Tr. To other Block	As At 31.03.2020	As At 01.04.2019	Transferred from Other Block	Additions	Written Back/ Tr. To Other Block	As At 31.03.2020	As At 31.03.2020	As At 31.03.2019
	<b>Tangible Assets</b>												
1	Furniture & Fixtures	3833361	310028		0	4143388	2950462	0	138158	0	3088620	1054768	882899
2	Plant & Machineries	12791425	5067673		1261463	16597635	4386899	0	1160493	865104	4682288	11915347	8404526
3	Tankers	169404208	1108891		19391034	151122065	59119343	0	23281990	15785748	66615585	84506480	110284865
4	Vehicles	24293323	1205326		0	25498649	8375125	0	2870886	0	11246011	14252638	15918198
5	Computers	884195	102415		0	986610	650219	0	101996	0	752215	234395	233976
6	Storage Tanks (Used on Tankers)	13080064	0	3157474	0	16237538	7047137	2524601	0	0	9571738	6665800	6032927
<b>A</b>	Sub Total	224286576	7794332	3157474	20652497	214585885	82529185	2524601	27553523	16650852	95956457	118629429	141757391
	<b>Intangible Assets</b>												
1	Goodwill	3100000	0		0	3100000	0	0	0	0	0	3100000	3100000
<b>B</b>	Sub Total	3100000	0		0	3100000	0	0	0	0	0	3100000	3100000
	<b>Capital Work in Progress</b>												
1	Storage Tank	2739344	313559		0	3052903	0	0	0	0	0	3052903	2739344
2	Vehicles	0	0		0	0	0	0	0	0	0	0	0
<b>C</b>	Sub Total	2739344	313559		0	3052903	0	0	0	0	0	3052903	2739344
	<b>TOTAL (A+B+C)</b>	<b>230125920</b>	<b>8107892</b>		<b>20652497</b>	<b>220738789</b>	<b>82529185</b>	<b>2524601</b>	<b>27553523</b>	<b>16650852</b>	<b>95956457</b>	<b>124782332</b>	<b>147596735</b>

Note: Out of total fifteen vehicles, two bikes and eight cars are registered in the name of the Directors

<b>NOTE : 15</b>	AS AT		AS AT
<b>CASH &amp; CASH EQUIVALENTS</b>	31/03/2020		31/03/2019
Cash on hand	4855816		1145894
Balances with banks			
In Current Account	771514		3171692
Other Bank Balance			
Fixed Deposit Maturity more than twelve months	100430		100430
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>5727760</b>		<b>4418016</b>

Fixed Deposit pledged as security deposit  
with Supretendent of Prohibition Department

<b>NOTE : 16</b>	AS AT		AS AT
<b>SHORT TERM LOANS AND ADVANCES</b>	31/03/2020		31/03/2019
Balance with Revenue Authorities	8120942		14329435
Prepaid Expenses	2316600		1619697
Advances to Suppliers	26221618		31832727
Advance to Drivers & Staff	2360800		2401383
Other Advances	472453		10204140
Loan to Other Body Corporate	8898453		
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>48390866</b>		<b>60387383</b>

<b>NOTE : 17</b>	AS AT		AS AT
<b>OTHER CURRENT ASSETS</b>	31/03/2020		31/03/2019
Interest Accrued but not due on Fixed Deposits	9917		3114
Interest Receivable	46550		0
Insurance Claim Receivable	2346562		0
Direct Income Receivable	28221479		17074247
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>30624508</b>		<b>17077361</b>

<b>NOTE : 18</b>		
<b>REVENUE FROM OPERATIONS</b>	For the year ended on 31/03/2020	For the year ended on 31/03/2019
Sale of products	1122796332	1349712083
Other operating revenues	96143502	61355187
<b>Less:</b>		
Goods Return / Loss of Materials	4182104	1171558
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>1214757730</b>	<b>1409895712</b>

<b>Sale of Products Comprises</b>		
Acetic Acid	1960785	3831891
Hydrochloric Acid	15975299	7369997
T.G.Urea	103015316	0
Concentrated Nitric Acid	291368542	306355480
Nitric Acid	78700519	83699291
Ethly Acetate	54107494	24369427
Sulphuric Acid	120873709	365747343
WNA 61% & 61.5%	374381843	411145493
WNA 68%	20052604	22801673
WNA 72%	38008232	50946181
WNA 18% to 40%	9147769	11994194
Nitro Benzene	0	13490303
Methanol	0	41190293
Others	15204221	6770517
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>1122796332</b>	<b>1349712083</b>

<b>Other Operating Revenues Comprises</b>		
Transport Receipts	96143502	61355187

<b>NOTE : 19</b>		
<b>OTHER INCOME</b>	For the year ended on 31/03/2020	For the year ended on 31/03/2019
Interest	1206939	424309
Sales Commission	2417498	2179595
Discount Received Net	115394699	84862792
Rounded Off	44	0
Rate Difference Received	0	849286
Detention & Mobilization Income	65210	0
Cash Discount	1965325	2990155
Miscellaneous Income	63957	28365
Profit on Sale of Assets	130290	0
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>121243963</b>	<b>91334502</b>

<b>NOTE : 20</b>		
<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK IN TRADE</u></b>	For the year ended on 31/03/2020	For the year ended on 31/03/2019
<b><u>Inventories at the end of the year</u></b>		
Finished Goods	10978872	6683552
	<u>10978872</u>	<u>6683552</u>
<b><u>Inventories at the beginning of the year</u></b>		
Finished Goods	6683552	8768167
	<u>6683552</u>	<u>8768167</u>
<b>Net Increase/Decrease</b>	<b>-4295320</b>	<b>2084615</b>

<b>NOTE : 21</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>	For the year ended on 31/03/2020	For the year ended on 31/03/2019
Bonus	280000	270000
Salary	3072000	2738500
Medical Expenses	21942	52337
Staff Welfare	957964	1766612
Men Power Cost	5694421	4688445
Director's Remuneration	15636000	15636000
Director's Insurance Premium	942825	304720
Staff Insurance	1501	5995
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>26606653</b>	<b>25462609</b>

<b>NOTE : 22</b>		
<b>FINANCE COST</b>	For the year ended on 31/03/2020	For the year ended on 31/03/2019
<b>Interest:</b>		
Bank	1978896	6290965
Tanker Loan	7167023	4736996
Car Loan	615417	571281
On Statutory Dues	2748	107365
Others Interest	0	3978
<b>Other Borrowing Cost</b>		
Bank Charges	396127	23381
<b>TOTAL Rs. &gt;&gt;&gt;</b>	<b>10160211</b>	<b>11733966</b>

<b>NOTE : 23</b>				
<b>OTHER EXPENSES</b>	For the year ended on 31/03/2020		For the year ended on 31/03/2019	
<b>Administrative Expenses:</b>				
Taxes & Duties		483750		364882
Insurance Premium		2185221		2528684
<b>Repairs &amp; Maintenance</b>				
Plant & Machineries	32628		17010	
Office	885828		878521	
Computer	65040		50504	
		983497		946035
Auditor's Remuneration		110000		175000
Professional Fee		1619451		863600
Vehicle Expenses		1569123		1647480
Conveyance Expenses		288549		79039
Bad Debt		1474728		754844
Postage & Courier Exp.		174809		197346
Office & Misc.Expenses		314496		281885
Membership Fees		8400		11000
Licence Fees		30576		30963
Stationery & Printing Exp.		172561		289843
Vatav & Kasar		694437		110249
Office & Godown Rent		9621456		4591200
Telephone & Internet Expenses		345734		293484
Water Expense		64701		46598
Travelling Expense		347530		209063
Donation		355200		13200
CSR Expenses		710000		0
Form Filing Fee		15000		38300
Electricity Expense		851667		732939
Penalty		177217		197888
Tender Fee		0		35471
Tea and Refreshment Exp.		341676		259682
Weightment Charges		45700		135320
Directors' Siting Fees		0		24000
Legal Exp.		23430		9070
Sundry Balance Write Off		1233565		1482282
Loss on Sale of Assets		0		157741
Listing Fees		60000		0
NSDL & CDSL Chrages		32500		0
<b>Selling &amp; Distribution Expenses:</b>				
Advertisement		127434		243494
Cartage		401690		263010
Sales Promotion		971182		1293288
Sales Commission		3408471		1105023
Labour Charges		105936		143275
<b>TOTAL Rs. &gt;&gt;&gt;</b>		29349687		19555178
Auditor's Remuneration comprises of				
Audit fees		100000		100000
Tax Audit fees		0		25000
Certification		0		100000
Taxation Matters		10000		60000
<b>TOTAL Rs. &gt;&gt;&gt;</b>		110000		285000

<b>NOTE : 24</b>		
<b>CONTINGENT LIABILITIES</b>	As At 31/03/2020	As At 31/03/2019
Income Tax Liability that may arise in respect of matters in appeal	0	304130
CST Liability that may arise in respect of matters in appeal	0	451444
<b>TOTAL Rs. &gt;&gt;&gt;</b>	0	755574

<b>NOTE : 25</b>		
<b>EARNING PER SHARE</b>	For the year ended on 31/03/2020	For the year ended on 31/03/2019
Profit after Tax	31038157	41828611
Weighted average number of equity shares in calculationg basic EPS	10000000	8421918
Nominal value of equity share	10	10
Basic/Diluted/Adjusted Earning per share (Rs)	<b>3.10</b>	<b>4.97</b>

**Note : 26****Related Party Disclosure****Related parties and their relationship -**

<b>Name of the related party</b>	<b>Relationship</b>
Ritaben H Patel	Wife of Director
Binduben J Patel	Wife of Director
Aavkar Chemical Industries	The director is proprietor of this firm.
Harshadkumar N Patel	Chairman/Managing Director
Jitendra N Patel	Whole time Director
Krishnaben N Patel	Mother of Director
Express Chemical Corporation	One of the Directors is a partner.
Utkarsh Patel	Director
Numeron Multicuisine Restaurant	The director is proprietor of this firm.

**Transactions with related parties -**

<b>Name of the related party</b>	<b>Salary &amp; Bonus Paid</b>	<b>Staff Welfare Exp./Sal es Promotio</b>	<b>Rent Paid</b>	<b>Transport Charges Received</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Harshad N.Patel	<b>6612000</b>	-	<b>2956572</b>	-
Jitendra N.Patel	<b>4812000</b>	-	<b>3676392</b>	-
Utkarsh H.Patel	<b>4212000</b>	-	-	-
Krishnaben N.Patel	-	-	<b>1690644</b>	-
Binduben J.Patel	-	-	<b>845328</b>	-
Ritaben H.Patel	-	-	<b>845328</b>	-
Numeron Multicuisine Restaurant	-	<b>854584</b>	-	<b>120960</b>



**Note : 27****Expenditure on Corporate Social Responsibilities activities:**

a) Gross amount required to be spent by the company as per Section 135 of the Companies act, 2013 is Rs. 9,56,162/- for the year 2019-20. (P.Y. Nil)

b) Details of the expenditure related to CSR is as under:

Particulars	for the year ended March 31, 2020			(Amount in Rs.) for the year ended March 31, 2019		
	Paid in cash	yet to be paid in cash	Total	Paid in cash	yet to be paid in cash	Total
(i) Construction/Acquisition of any asset	-	-	-	-	-	-
(ii) Purpose other than (i) above	7,10,000 /-	2,46,162 /-	9,56,162 /-	-	-	-
<b>Total</b>	<b>7,10,000/-</b>	<b>2,46,162 /-</b>	<b>9,56,162 /-</b>	-	-	-

**Note : 28****COVID-19 Estimation uncertainty:**

The novel coronavirus (COVID-19) pandemic is spreading around the globe including India rapidly and causing significant disturbance and slowdown of economic activity. The Company has made detailed assessment of its liquidity position for the next year and the recoverability of the Company's assets such as Trade receivables, Inventories, Advances, etc as at the Balance Sheet date, using reasonably available information, estimates and judgements. The Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company and has determined that none of these balances requires a material adjustment to their carrying value. The Company believes that impact of COVID-19 on the Company's financial statement is not material. The impact of COVID-19 may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor the developments.

As per our Report of even date attached

**FOR, RIDDHI P. SHETH & CO.**

**Chartered Accountants**

**FRN : 140190W**

**Sd/-  
Riddhi P.Sheth  
Proprietor  
M.No.159123**

**Place : Ahmedabad**

**DATE : July 21, 2020**

For and on Behalf of Board

**FOR, A-1 ACID LIMITED**

**Sd/-  
Harshadkumar Patel  
Chairman & Managing  
Director**

**Sd/-  
Himanshu Thakkar  
CFO**

**Place : Ahmedabad**

**DATE : July 21, 2020**

**Sd/-  
Jitendra Patel  
Whole Time Director**

**Sd/-  
Aanal Patel  
Company Secretary**