



## TAMILNADU INDUSTRIAL EXPLOSIVES LIMITED

(A Government of Tamilnadu Enterprise)  
AN ISO 9001 : 2008 COMPANY



### 38th ANNUAL REPORT 2020-21

#### BOARD OF DIRECTORS

**Tmt. R. Lilly, I.A.S.,**  
Special Secretary to Government,  
Industries Department /  
Chairperson and Managing Director

**Thiru C.R. Balaji**  
Additional Secretary to Government,  
Finance Department

**Prof. Bharat B Dhar,**  
Advisor  
Higher Education Systems, Research,  
Training and Sustainable Development,  
New Delhi

**Dr. G. Natarajan,**  
Chartered Accountant

**Auditors :**  
M/s. **E. PHALGUNA KUMAR & CO**  
Chartered Accountants, Ambur

#### Bankers

**INDIAN OVERSEAS BANK**  
Vellore & Chennai

**STATE BANK OF INDIA**  
Vellore & Chennai

#### Registered Office :

No. 735, Anna Salai,  
LLA Building (1st Floor)  
Chennai - 2 Tamil Nadu, India  
Ph : 044-28412003, 2005

#### Factory :

Vandranthangal Village  
TEL Post, Katpadi Taluk  
Vellore 632 059, Tamil Nadu, India  
Ph : 0416-2296771



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TEL Post, Katpadi Taluk  
Vellore 632 059, Tamil Nadu, India  
Ph : 0416-2296771

**NOTICE**

NOTICE is hereby given that 38th Annual General Meeting of the members of Tamil Nadu Industrial Explosives Limited will be held on Monday 30th May 2022 at 4.00 pm through video conferencing / other Audio Visual Means to transact the following business. The venue of the meeting shall be deemed to be held at No 735, Anna Salai, LLA Building, (1st Floor), Chennai-600 002 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss account for the year ended 31.3.2021 and the report of the Directors and Auditors thereon.
2. To approve the audit fee of Rs. 85,000/- payable to statutory auditor to E.Phalgunakumar & co Chartered Accountant appointed by Auditor General for the financial year 2021-22.

Place : Chennai

Date : 25.03.2022

By Order of the Board

**R.Lilly, I.A.S.**

Chairperson & Managing Director

**Notes:**

1. In view of the continuing restriction on the movement of the people and the limitation on number of people gathering due to outbreak of Covid-19, the Ministry of Corporate Affairs (MCA) vides its circular NO. 39/2020 Dated 31.12.2020 has allowed the Companies to conduct the AGM through Video Conferencing (VC) or other Audio Visual Means OAVM. In accordance with the said circulars of MCA, the 38th AGM of the company shall be conducted through VC/OAVM. Central Depository Services (INDIA) Limited will be providing facility for e-voting through remote e-voting for participation in the AGM through VC/OAVM and e- voting during AGM. The procedure for participating in the meeting through VC/OAVM is explained in the Notice and also available on the website of the company at [www.tniel.in](http://www.tniel.in)
2. As the AGM will be conducted through VC/OAVM, the facility for appointment of Proxy by the members is not available for this AGM and hence Proxy form and Attendance are not annexed to this notice.
3. Register of members and Share transfer books of the company will remain closed from 27.05.2022 to 30.05.2022 (both days inclusive).
4. Institutional/Corporate Members are requested to send a scanned copy of the Board resolution authorizing its representatives to attend and vote at the AGM pursuant to section 113 of the Companies Act 2013 to [tnielmf@gmail.com](mailto:tnielmf@gmail.com).

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT :**

5. In accordance with the General Circular No. 20/2020 dated 5 May 2020 issued by MCA, owing to difficulty in dispatching of physical copies of the Financial Statements (including Report of Board of directors, Auditors report) such statements including the notice of AGM are being sent in electronic mode to members whose e-mail address is registered with the Company or the Depository participant.



6. Members holding shares in physical form are requested to notify any change in their address immediately to the Secretarial Dept. of the company at Vellore or to the Registrar and Share Transfer Agent, Chennai and in case of Members holding share in Electronic form are requested to notify any change in mail id address to their respective depository participants.
7. The Notice of AGM along with Annual Report for the financial year 2020-21 is available on the web site of the company [www.tniel.in](http://www.tniel.in) and on the website of CDSL [evotingindia.com](http://evotingindia.com)

### **CDSL e-Voting System - For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and circular No. 57/2021 dated December 14, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. 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 MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e- voting
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [tniel.in](http://tniel.in) The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com)



7. The 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 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

- (i). The voting period begins on 27.05.2022 at 9.00 a.m and ends on 29.05.2022 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25.05.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii). Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii). The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv). Click on "Shareholders" module.
- (v). Now enter your User ID
  - (a). a. For CDSL: 16 digits beneficiary ID,
  - (b). For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - (c). Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on e- Voting option and proceed directly to cast your vote electronically,

- (vi). Next enter the Image Verification as displayed and click on Login.
- (vii). If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii). If you are a first time user follow the steps given below:

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

- (ix). After entering these details appropriately, click on "SUBMIT" tab.



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

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

1. For Physical shareholders- please provide necessary details like Folio No. Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (tnielmf@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (tnielmf@gmail.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

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

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



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [tnielmf@gmail.com](mailto:tnielmf@gmail.com) (designated email address by company) if they have voted from individual [tnielmf@gmail.com](mailto:tnielmf@gmail.com) tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai 400013 send email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**GENERAL:**

The voting rights shall be as per the number of equity shares held by the Member(s) as on 25.05.2022 being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

The company has appointed K. Elangovan, Company Secretary to act as Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner. The results of the electronic voting shall be declared after the conclusion of the AGM. The results along with the Scrutinizer's Report shall be placed on the website of the company [www.tniel.in](http://www.tniel.in).





## DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 38th Annual Report together with the audited accounts of the Company for the year ended on 31st March 2021.

### PERFORMANCE REVIEW:

A summary of your Company's performance during 2020-2021 is given below:

	Current year ended 31 <sup>st</sup> March 2021	Previous Year ended 31 <sup>st</sup> March 2020
<b>a. SALES</b>		
i. Explosives (MT)	NIL	NIL
	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
b. Sales Revenue	NIL	NIL
c. Other Income	1980.10	40.70
d. Total expenses	1558.97	1452.93
e. Net Profit (+)/Net loss(-)	<b>+ 421.13</b>	<b>- 1412.23</b>

### OPERATIONS:

The company does not have any operations during the year under review.

### DIVIDEND:

Though the company had earned one time profit on transfer of land to the Government, as there are still accumulated losses your directors do not recommend any dividend for the year.

### EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of Annual Return in form MGT 9 is given in Annexure A.

### PARTICULARS OF EMPLOYEES:

During the year none of the employees of the company drew remuneration in excess of the limit prescribed under the provisions of the Companies Act 2013, read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### DIRECTORS :

During the year under review, nominee directors' Mr. K.Balasubramanian I.A.S. representing the Industries Department and Mr. M.Arvind I.A.S., representing the Finance Department were withdrawn and in their place Mr. Rajagopal Sunkara, I.A.S., representing the Industries Department and Mr.S.Arunraj representing the Finance Department were nominated by the Government.

During the current year, Mrs. R.Lilly I.A.S., representing the Industries Department was nominated in place of Mr. Rajagopal Sunkara, I.A.S., and Mr.C.R.Balaji Joint Director Finance BPE was nominated in place of Mr. S.Arunraj I.A.S., by the Government.

The company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as per section (6) of section 149 of the Companies Act, 2013.

**BOARD MEETING AND ITS COMMITTEES CONDUCTED DURING THE PERIOD UNDER REVIEW.**

During the year under review, four meetings of the Board of Directors, one meeting of the audit committee were held.

The Audit committee has three Directors, out of which two directors are Independent Directors.

**COMMENTS ON AUDITORS REPORT**

With reference to the observations of the Statutory auditors in their report under the head "Basis for qualified opinion" clause a, b,c, e, g to i, l to o are self explanatory.

With regard to

- i. clause d : the company has filed a criminal case for recovery of amount and once the judgment is received, provision will be made in the accounts if necessary.
- ii. clause f : the company is taking steps to recover amount from the party.
- iii. clause j : the company has filed an appeal in the Tribunal and provision if needed will be made after receiving the judgment.
- iv. clause k : The company will be filing a revision petition with the sales tax department.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT MADE:**

The company has not given loans or made investments or given guarantees or provided securities.

**PARTICULARS OF CONTRCTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered with related parties under the Companies Act 2013, were in the ordinary course of business and on arm's length pricing basis.

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

As the company does not have any operations during the period under review, the information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is not applicable.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY DURING THE CURRENT FINANCIAL YEAR:**

There are still 2 regular employees on roll of the company and they are on deputation in Government Corporation Department. The Company had entered in to a lease agreement with Bharat Electronics Limited for leasing 67.25 acres of land and buildings located in 50 acres of land for a period of 29 years. BEL is paying lease rent from 22.5.2021 for the 50 acres of land and building. Lease for the balance of land 17.25 acres will come into effect once the company removes the encumbrance created on it by the Sales Tax Department and Provident Fund Organization. The company is in the process of disposing of the plant and machinery and other fixes assets to enable BEL to utilize the land leased to them. The company has so far sold around 50% of the assets of the company and hope to complete the process in another six months' time. The sale proceeds of the assets are being utilized to settle the creditors as per the orders of the Government. BEL is renovating the buildings and plans to start operation during the financial year 2022-23.

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors Confirm that:



- (i) in preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the company at the end of the financial year and of the loss of the company for that period.
- (iii) that Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing/detecting fraud and irregularities.
- (iv) that the directors have prepared the Annual Accounts on a going concern basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and the such systems were adequate and operating effectively.

**FIXED DEPOSITS :**

During the year, the company did not accept or renew any fixed deposit and no fixed deposits remained unclaimed with the company as on 31<sup>st</sup> March 2021.

**AUDITORS :**

In terms of Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India have appointed E. Phalguna Kumar & Co Chartered Accountants, Ambur Auditors of your Company for the year 2021-2022.

**ACKNOWLEDGEMENTS :**

Your Directors take this opportunity to thank and acknowledge the co-operation and assistance received from various agencies of the Central Government, State Government of Tamil Nadu, Banks and other agencies during the year under review. The Board of Directors also wish to place on record their appreciation of the continued support of the Shareholders of the company.

Place : Chennai - 2  
Date : 25.03.2022

**For and on behalf of the Board of Directors**

**R. Lilly, I.A.S.,**  
Chairperson & Managing Director

**I. REGISTRATION AND OTHER DETAILS**

i) CIN	U31501TN1983SGC009836
ii) Registration date	09.02.1983
iii) Name of the Company	TAMIL NADU INDUSTRIAL EXPLOSIVES LIMITED
iv) Category/sub-category	Public Limited Company having share capital
v) Address of the Registered Office	735, Anna Salai, LLA Building, 1st Floor, Chennai 600 002. Tamil Nadu
vi) Whether Listed Company	No
vii) Name and address and contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road, Chennai 600 002.  Phone 044-28461073, 28460390 email. investor@cameoindia.com

**II. All the business activities contributing 10% or more of the total turnover of the company shall be stated:-**

Not applicable since the company has stopped its production activity

**III. Particulars of holdings, subsidiary and Associate Companies**      **NIL**


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

**Name of the Company** : TAMILNADU INDUSTRIAL EXPLOSIVES LTD  
**Face Value** : 10 /-  
**Paidup Shares as on 01-Apr-2020** : 26956800  
**Paidup Shares as on 31-Mar-2021** : 26956800  
**For the Period From** : 01-Apr-2020 To : 31-Mar-2021

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	0	0	0	0	0	0	0	0	0
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	22141400	22141400	82.14	0	22141400	22141400	82.14	0
c.	BODIES CORPORATE	0	0	0	0	0	0	0	0	0
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0	0	0	0	0	0
e.	ANY OTHER	-	-	-	-	-	-	-	-	-
	<b>SUB - TOTAL (A)(1)</b>	<b>0</b>	<b>22141400</b>	<b>22141400</b>	<b>82.14</b>	<b>0</b>	<b>22141400</b>	<b>22141400</b>	<b>82.14</b>	<b>0</b>
2.	FOREIGN	-	-	-	-	-	-	-	-	-
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/FOREIGN INDIVIDUALS)	0	0	0	0	0	0	0	0	0
b.	BODIES CORPORATE	0	0	0	0	0	0	0	0	0
c.	INSTITUTIONS	0	0	0	0	0	0	0	0	0
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
e.	ANY OTHER	-	-	-	-	-	-	-	-	-
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>22141400</b>	<b>22141400</b>	<b>82.14</b>	<b>0</b>	<b>22141400</b>	<b>22141400</b>	<b>82.14</b>	<b>0</b>
<b>B.</b>	<b>PUBLIC SHARE HOLDING</b>									
1.	INSTITUTIONS EPIC INDIVIDUALS/CATEGORY II	0	0	0	0	0	0	0	0	0
a.	MUTUAL FUNDS/UTI	0	0	0	0	0	0	0	0	0
b.	FINANCIAL INSTITUTIONS/ BANKS	666725	1333750	2000475	7.42	666725	1333750	2000475	7.42	0
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0	0


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

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d.	VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0	0
e.	INSURANCE COMPANIES	0	0	0	0	0	0	0	0	0
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0	0	0	0	0	0
g.	FOREIGN VENTURECAPITAL INVESTORS	0	0	0	0	0	0	0	0	0
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
i.	ANY OTHER									
	<b>SUB - TOTAL (B)(1)</b>	<b>666725</b>	<b>1333750</b>	<b>2000475</b>	<b>7.42</b>	<b>666725</b>	<b>1333750</b>	<b>2000475</b>	<b>7.42</b>	<b>0.00</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	670725	19300	690025	2.56	670725	19300	690025	2.56	0
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	171786	1836903	2008689	7.45	172486	1836103	2008589	7.45	-0.0003
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	0	10300	10300	0.04	0	10300	10300	0.04	0.00
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.0000
d.	ANY OTHER									
	HINDU UNDIVIDED FAMILIES	1300	0	1300	0.0048	1300	0	1300	0.0048	0.00
	NON RESIDENT INDIANS	6811	97800	104611	0.39	6911	97800	104711	0.39	0.0003
		<b>8111</b>	<b>97800</b>	<b>105911</b>	<b>0.39</b>	<b>8211</b>	<b>97800</b>	<b>106011</b>	<b>0.39</b>	<b>0.0003</b>
	<b>SUB - TOTAL (B)(2)</b>	<b>850622</b>	<b>1964303</b>	<b>2814925</b>	<b>10.44</b>	<b>851422</b>	<b>1963503</b>	<b>2814925</b>	<b>10.44</b>	<b>0.0000</b>
	TOTAL PUBLIC SHARE HOLDING(B)=(B)(1)+(B)(2)	<b>1517347</b>	<b>3298053</b>	<b>4815400</b>	<b>17.86</b>	<b>1518147</b>	<b>3297253</b>	<b>4815400</b>	<b>17.86</b>	<b>0.0000</b>
	TOTAL (A)+(B)	<b>1517347</b>	<b>25439453</b>	<b>26956800</b>	<b>100.00</b>	<b>1518147</b>	<b>25438653</b>	<b>26956800</b>	<b>100.00</b>	<b>0.0000</b>
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1517347</b>	<b>25439453</b>	<b>26956800</b>	<b>100.00</b>	<b>1518147</b>	<b>25438653</b>	<b>26956800</b>	<b>100.00</b>	<b>0</b>


**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)  
(Contd.)**
**(ii) Shareholding of Promoters**
**Name of the Company : TAMILNADU INDUSTRIAL EXPLOSIVES LTD**

SI No.	Share holder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total shares of the company	% of total shares Pledged / encumbered to total shares	No of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	% change in share holding during the year
1.	GOVERNOR OF TAMIL NADU	22141400	82.14	0	22141400	82.14	0	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**
**Name of the Company : TAMILNADU INDUSTRIAL EXPLOSIVES LTD**

SI No	Name of the Share holder	Share holding 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
1	GOVERNOR OF TAMILNADU At the beginning of the year 01-Apr-2020	22141400	82.14	22141400	82.14
	At the end of the Year 31-Mar-2021	22141400	82.14	22141400	82.14

**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**
**Name of the Company : TAMILNADU INDUSTRIAL EXPLOSIVES LTD**

SI No	Name of the Share holder	Share holding 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
1	INDUSTRIAL DEVELOPMENT BANK OF INDIA At the beginning of the year 01-Apr-2020 At the end of the Year 31-Mar-2021	666625	2.4729	666625	2.4729
		666625	2.4729	666625	2.4729
2	INDUSTRIAL DEVELOPMENT BANK OF INDIA At the beginning of the year 01-Apr-2020 At the end of the Year 31-Mar-2021	666625	2.4729	666625	2.4729
		666625	2.4729	666625	2.4729
3	IFCI LTD At the beginning of the year 01-Apr-2020 At the end of the Year 31-Mar-2021	666625	2.4729	666625	2.4729
		666625	2.4729	666625	2.4729
4	AMREX MARKETING PRIVATE LIMITED At the beginning of the year 01-Apr-2020 At the end of the Year 31-Mar-2021	666625	2.4729	666625	2.4729
		666625	2.4729	666625	2.4729
5	SBI CAPTIAL MARKETS LTD A/CJT1 : SBI MUTUAL FUND At the beginning of the year 01-Apr-2020 At the end of the Year 31-Mar-2021	14400	0.0534	14400	0.0534
		14400	0.0534	14400	0.0534


**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (contd.)**

SI No	Name of the Share holder	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
6	SUDHEESH KUMARJT1 : ABITHA SUDHEESH				
	At the beginning of the year 01-Apr-2020	10300	0.0382	10300	0.0382
	At the end of the Year 31-Mar-2021	10300	0.0382	10300	0.0382
7	PALANISWAMY M				
	At the beginning of the year 01-Apr-2020	10000	0.0370	10000	0.0370
	At the end of the Year 31-Mar-2021	10000	0.0370	10000	0.0370
8	ARUMUGASAMY O				
	At the beginning of the year 01-Apr-2020	10000	0.0370	10000	0.0370
	At the end of the Year 31-Mar-2021	10000	0.0370	10000	0.0370
9	MADHUSUDAN D MARATHEJT1 : SUDHA MARATHE				
	At the beginning of the year 01-Apr-2020	8100	0.0300	8100	0.0300
	At the end of the Year 31-Mar-2021	8100	0.0300	8100	0.0300
10	DURAI PACHIYAPPAN				
	At the beginning of the year 01-Apr-2020	8000	0.0296	8000	0.0296
	At the end of the Year 31-Mar-2021	8000	0.0296	8000	0.0296

**(v) Shareholding of Directors and Key Managerial Personnel:**
**Name of the Company : TAMILNADU INDUSTRIAL EXPLOSIVES LTD**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative share holding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	C KAMARAJ, I.A.S.	NIL	NIL	NIL	NIL
	At the beginning of the year 1-April-2020	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2021	NIL	NIL	NIL	NIL
2.	S.ARUNRAJ, I.A.S.	NIL	NIL	NIL	NIL
	At the beginning of the year 1-April-2020	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2021	NIL	NIL	NIL	NIL
3.	BHARAT B DHAR	NIL	NIL	NIL	NIL
	At the beginning of the year 1-April-2020	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2021	NIL	NIL	NIL	NIL
4.	G NATARAJAN	NIL	NIL	NIL	NIL
	At the beginning of the year 1-April-2020	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2021	NIL	NIL	NIL	NIL
5.	RAJAGOPAL SUNKURA, I.A.S.	NIL	NIL	NIL	NIL
	At the beginning of the year 1-April-2020	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2021	NIL	NIL	NIL	NIL



**V. INDEBTEDNESS**

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	80000000	1389301066	0	1469301066
ii) Interest due but not paid	46287776	598659810	0	644947586
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	126287776	1987960876	0	2114248652
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition	52411	125840619	0	125893030
* Reduction	126287776	0	0	126287776
Net Change	52411	125840619	0	252180806
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	0	1389301066	0	1389301066
ii) Interest due but not paid	52411	724500429	0	724552840
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	52411	2113801495	0	2113853906

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Thiru. C.Kamaraj, I.A.S., Managing Director (i/c)

Sl. no.	Particulars of Remuneration	Rs.in lakhs
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	6.78 NIL NIL
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit - others, specify	NIL NIL
5	Others, please specify	NIL
	Total (A) Ceiling as per the Act	6.78 Not applicable

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of the Directors Thiru S.Arunraj, I.A.S., Dr.G.Natarajan Prof.B.B.Dhar Thiru Rajagopal Sunkara I.A.S.	NIL NIL NIL NIL NIL
1.	<b>Independent Directors</b> Fee for attending board / committee meetings Commission Others, please specify Total (1)		3000 NIL NIL 3000
2.	<b>Other Non-Executive Directors</b> Fee for attending board/committee meetings Commission Others, please specify Total (2) Total (B)=(1+2) Total Managerial Remuneration Overall Ceiling as per the Act		NIL NIL NIL NIL 3000 3000 NIL

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WHOLE TIME DIRECTORS**

Particulars of Remuneration to Thiru. K.Nagasubramanian, Company Secretary. Mrs. Mary Stella Caroline, CFO

Sl. no.	Particulars of Remuneration	Rs. in Lakhs	Rs. in Lakhs
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	CS 2.63 0 0	CFO 0.79 0 0
2.	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please specify	0	0
	Total	2.63	0.79

**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)
		A. COMPANY			
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
		B. DIRECTORS			
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
		C. OTHER OFFICERS IN DEFAULT			
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Tamilnadu Industrial Explosives Limited

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

#### Opinion

We have audited the standalone financial statements of Tamilnadu Industrial Explosives Limited (the Company), which comprise the Balance Sheet as at 31st March 2021 and the statement of Profit and Loss 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, for the year ended on that date *except to the extent mentioned of matters stated in the "Basis of Qualified opinion" paragraph below.*

#### Basis for Qualified Opinion

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

- a. *Note 3 –Reserves and Surplus to the Financial statements indicate that the Company has accumulated losses as at the year end and net worth of the company has been fully eroded. The Company has incurred cash losses consistently over the years and the current liabilities of the company exceeded its current assets as at the balance sheet date. Taking into account the various non-provisions set forth in the below points, there exists material uncertainty or significant doubt on the Company's ability to continue as a going concern. Further the company has alienated significant portion of its land (ie, 74.34 acres) during the FY 20-21. The company is not carrying on its business activity and has discontinued the operations. But, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in Sl. No. 1 (a) (ii) – System of Accounting under Significant Accounting Policies to Notes forming part of financial statement. To this extent, we express our qualification on the manner of preparation of financial statements.*
- b. *Clause no.3 of Note No.29 regarding non provision of interest and penal interest of Rs.771.17 lakhs for the year and the accumulated interest and penal interest of Rs.5704.50 lakhs upto the year 2020-21 payable to the Tamilnadu State Government on low interest loans and ways and means advance. Further, on verification of above note, we have observed that Rs 120 Lakhs, being principal amount on which Rs467.64 Lakhs interest remains unprovided, is not available in books of accounts. The management is unable to explain this issue to our satisfaction. Hence, the relevance of the note on non-accounting of interest is doubtful.*
- c. *During the course of confirming the balances from creditors, it was noticed that several creditors had lodged their claim for interest on the dues payable to them by the company. However, company has not acknowledged any such interest as due to them. We are unable*



to determine whether interest is statutorily payable to them or not in view of the contractual or statutory obligations. Hence profits of the company for the current year is overstated to the extent of interest claims arising thereon from creditors.

- d. With reference to Clause no.7 of Note No.29 of the Company has not provided for the loss against the claims receivable on 2EHN Plant amounting to Rs.96.20 lakhs. A case filed for recovery in the Madras High Court has been dismissed and an appeal against the High Court Order is pending in the Supreme Court.
- e. Trade Receivables amounting to Rs.5.24 crores are outstanding as at 31<sup>st</sup> March 2021. Excepting for an amount of Rs 1.88 crores from SIPCOT, all major amounts are carried forward from earlier years. Provision for bad and doubtful debts created (in the earlier years) in the books for an amount of Rs.1,10,01,621/- has been fully adjusted during the year and there is no other amount lying in the books of accounts of the company towards provision for bad and doubtful debts. No age wise classification of Trade receivables was provided for verification and accordingly for debts outstanding for more than six months, provision has neither been created during the year nor created in earlier years and remaining unadjusted during the year. Recovery of the above debts is highly doubtful in view of lapse of time. So, in view of the difficulty in ascertaining the recoverability of the trade receivables, the accounts are not true and fair to this extent. The impact on profitability, if any could not be ascertained. No confirmations have been obtained from debtors for the balances held by them.
- f. M/sKader Factory for developed Industries, Egypt had en-cashed bank guarantee provided by the Company on account of quality claim over the exported materials. However, the Company has accounted the en-cashed amount of Rs.34,28,702/- as Trade receivable, pending the Board approval for writing off as expenditure. This has resulted in overstatement of current year profits by Rs.34,28,702/- and overstatement of Trade receivables by Rs.34,28,702/-.
- g. The company has short term loans and advances amounting to Rs 184.92 lakhs. All the earlier year's provision towards doubtful advances amounting to Rs 22.90 lakhs has been adjusted against advances during the year. But the company has not made any provision for doubtful advances for the above-mentioned amount and also claims that all short-term loans and advances are recoverable. We express our inability to decide on adequacy of provision in the absence of confirmation from those persons to whom such advances are paid. The impact on profitability, if any could not be ascertained.
- h. No age wise classification of Trade payables was provided for verification and accordingly payable outstanding for more than six months is to be analysed on case to case basis and needs to be written back with the approval of the Board, if necessary. The impact on profitability, if any, could not be ascertained.
- i. Service tax levied by The Additional Commissioner of Central Excise Chennai III Commissionerate, Chennai-600034 to the extent of Rs 6,04,414/- vide order No. 54/2012 dated 06.09.2012 is not provided for in the books of accounts. Further, an equal amount of penalty is also levied. Against this Rs.3 lakhs is paid and shown as deposit with excise. The company has filed an appeal against the order in the Appellate Tribunal.
- j. It is observed that the Commercial Tax Officer, Gudiyatham (East) Assessment Circle served final notice demanding tax arrears to the extent of Rs.11,61,32,216/- on the past completed assessments. Out of this for an amount of Rs. 3,51,33,202/- only recorded and the remaining amount neither recorded nor provided for in the books of accounts. It is further observed that the CTO, Gudiyatham (East) Assessment Circle has attached Indian Overseas Bank account, Gandhinagar Branch, Vellore during 2014-15.
- k. With reference to Slnos.1 to 3 to note 28, the Recovery officer, Employees Provident Fund, Vellore has issued a notice for payment of Rs.8,29,70,097 towards penalty and damages for



delayed payment of PF contribution. The Company has filed an appeal before Industrial Tribunal cum Labour court and also obtained stay order from Madras High Court restraining EPF department from taking coercive action. The company has not provided for it in the Financial statement and shown it as contingent liability.

- l. The appeal before the appellate authority has been completed for the assessment year 2001-02 and 2002-03. The tax recovery officer had collected to the extent of Rs 59.35 lakhs against the demand of Rs 81.76 lakhs and the balance is yet to be recovered from the company.
- m. There is indicator of impairment of property, plant and equipment that there is a legal restriction over the production of key products of the Company and thus there is no production/significantly low production over the year, that may cast significant doubt that the assets are impaired however the company has not accounted for any impairment loss nor provided any details substantiating the recoverable amount exceeding its carrying amount. The impact on profitability could not be ascertained.
- n. The company has not provided for interest on OD Account taken from Indian Overseas Bank, Vandranthangal Branch to the extent of R 2.13 crores during FY 2019-20. We have expressed our qualification during that year in the audit report also. During the current year, the company made a one-time settlement (OTS) with the bank and has obtained waiver amounting to Rs4,77,95,396/- from the bank. However due to non-provision of interest during the year earlier year, profit on OTS stands reduced to Rs 2,63,87,776/- (Rs 4.77 crores – Rs 2.13 crores) only during the year. Hence, to this extent we express our qualification on the true and fair view of the profitability of the company.
- o. The company has accounted for Rs14.07 lakhs of prior period expenditure during the year. The company claims that there was an error in estimation of work bills and employee payments (Gratuity and leave salary) during the earlier years and now upon settlement, excess expenditure of earlier years is now accounted. The above information in this point is given as a disclosure and out of abundant caution. This does not amount to qualification on the financial statements in view of materiality of the amount involved.
- p. The company has not made any provision towards income-tax liability arising on sale/alienation of its land to the extent of 74.34 acres. The company claims that the alienation of the land would fall under the category of compulsory acquisition of land by the government and thus would enjoy the exemption from income taxation. But the company has received consideration for such alienation and we are of the opinion that the company does not have any exemption from income tax. We are of the opinion that income tax liability arises on sale of such land. Further, there is no certainty that the income tax department will concur with the views of the company. We are of the opinion that tax liability alone may amount approximately to 3.63 crores(which is a material amount) and since, the company has not paid any advance tax, interest under various sections will also arise. Effectively, we express our qualified opinion on the true and fair view of the accounts due to non-provision of income tax liability.

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

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



of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure I, a statement on the matters specified in paragraph 3 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet and the Statement of Profit and Loss, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to reporting on the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report attached in Annexure II.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has eighteen pending claims against the company. The details of pending litigation having claims totalling to Rs 946.34 lakhs is disclosed in note no. 28 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As per the directions issued by the Comptroller and Auditor General of India under Sec 143(5) of the Companies Act, we report that
  - a. The company has clear title deeds for the freehold land and has no leasehold land
  - b. According to the information and explanations given to us there are no cases of waiver/ write off of debts/loans/interest etc
  - c. The proper records are maintained for inventories lying with third parties and assets received as gifts/grants from Government or other authorities

Place : Ambur  
Date : 10.1.2022

**For M/s E. Phalguna Kumar & Co**  
Chartered Accountants  
Firm Regd No. 002644S  
**A.C. Prabakar**  
Partner  
M.No. 026399  
UDIN : 22026399AAAAAA9659



## Annexure – I to Auditors' Report

### Annexure – I to Auditors' Report

Annexure to the Auditors' Report referred to in paragraph 9 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
  - c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of Company as at the balance sheet date.
- (ii) In respect of its inventories:
  - a) As explained to us, the inventory was physically verified during the year by the Management. In our opinion, the frequency of the verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory. Discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt within the books of accounts.
- (iii) As informed, the Company has not taken or grants any loans, secured or unsecured to Companies, firms or other parties covered in the register u/s. 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits either during the current year or in any previous financial years. So, the provisions of para 3(v) of the Order are not applicable to the Company. Further, no Order has been passed by the CLB, NCLT, RBI or any other court or Tribunal.
- (vi) According to the information and explanations given to us, the maintenance of cost records as specified by the Central Government of India under Section 148 (1) of the Companies Act 2013 is not applicable to the company for the year under audit. Hence, Clause (vi) of Paragraph 3 of the order is not applicable.
- (vii) (a) In our opinion and according to the information and explanations given to us, the company is *NOT* regular in depositing undisputed statutory dues including provident fund, investor protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, if any, with the appropriate authorities. The arrears of outstanding statutory dues as at 31<sup>st</sup> March 2021 for a period of more than six months from the date they became payable are reported below:





<i>Nature of Dues</i>	<i>Amount Rs</i>
VAT&CST tax assessed and payable	11,61,32,216
Professional Tax	53,82,918
Income Tax	22,41,000

(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax not deposited on account of dispute are as follows,

Name of the Statute	Nature of Liability	Financial Year of Dispute	Amount Due	Appellate Forum where dispute is pending
Service Tax under Finance Act 1994	Service Tax on Foreign Commission paid	18/04/2006 to 31/03/2009	6,04,414	CESTAT, Bangalore

- (viii) In our opinion and according to the information and explanations given to us, the Company has overdue loans or borrowings of Rs15884.22 lakhs to Tamilnadu Government.
- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, the Company we report that no fraud on or by the Company has been noticed or reported during the course of our audit, nor have been informed of such case by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is 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 to its directors and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

**For M/s E. Phalguna Kumar & Co**  
Chartered Accountants  
Firm Regd No. 002644S  
**A.C. Prabakar**  
Partner  
M.No. 026399  
UDIN : 22026399AAAAAA9659

Place : Ambur  
Date : 10.01.2022



## Annexure – II to Auditors' Report

Annexure to the Auditors' Report referred to in point 2(h) under the heading "Report on other Legal and Regulatory Requirements" of our report of even date

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of 'Tamil Nadu Industrial Explosives Limited, ('the Company') as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended and as 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 (the 'Guidance Note'). 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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2021**, 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' *except for the operating and control deficiencies with respect to the matters stated in the Basis of qualified opinion paragraph of the Independent Auditor's Report.*

**For M/s E. Phalgun Kumar & Co**

Chartered Accountants

Firm Regd No. 002644S

**A.C. Prabakar**

Partner

M.No. 026399

UDIN : 22026399AAAAAA9659

Place : Ambur

Date : 10.1.2022



## Accountant General (Audit-II) Tamilnadu & Puducherry

VISHWANATH SINGH JADON, IA & AS

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENT OF TAMIL NADU INDUSTRIAL EXPLOSIVES LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2021.**

The preparation of standalone financial statements of Tamil Nadu Industrial Explosives Limited, Chennai for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 10.01.2022.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of Tamil Nadu Industrial Explosives Limited, Chennai for the year ended 31 March 2021 under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

**For and on the behalf of the  
Comptroller & Auditor General of India  
VISHWANATH SINGH JADON  
Accountant General**

Place : Chennai  
Date : 22.02.2022



Balance Sheet as at March 31, 2021		(Rs. in LAKHS)		
Sl.No	Particulars	Note no.	As at 31.03.2021	As at 31.03.2020
I	<b>EQUITY &amp; LIABILITIES</b>			
	<b>1. Shareholders' Funds</b>			
	a. Share Capital	2	2703.34	2703.34
	b. Reserves and Surplus	3	-23903.48	-24324.61
	Sub Total[1]		<b>-21200.14</b>	<b>-21621.27</b>
	<b>2. Share application money pending allotment</b>			
	Sub Total[2]		0.00	0.00
	<b>3. Non-current liabilities</b>			
	a. Long-term borrowings	4 b (i)	691.13	876.47
	b. Short-term borrowings	4 b (ii)	0.00	0.00
	c. Other Long-term liabilities	5	4.09	12.11
	d. Long-term provisions	6	0.00	0.00
	Sub Total[3]		<b>695.22</b>	<b>888.58</b>
	<b>4. Current liabilities</b>			
	a. Short-term borrowings	7	4563.18	5825.54
	b. Trade Payables	8	52.41	155.39
	c. Other Short-term liabilities	9	17330.30	16128.93
	d. Short-term provisions	10 (a)	27.97	91.36
	e. Provision for Taxation	10 (b)	22.41	22.41
	Sub Total [4]		<b>21996.27</b>	<b>22223.63</b>
	TOTAL [1+2+3+4]		<b>1491.35</b>	<b>1490.94</b>
II.	<b>ASSETS</b>			
	<b>1. Non-current assets</b>			
	a. Property, Plant & Equipment			
	i. Tangible Assets	11	694.37	861.57
	ii. Capital work-in-progress	12	0.00	0.00
	iii. Intangible assets under development		0.00	0.00
	b. Non-current investments		0.00	0.00
	c. Other non-current assets	13	8.37	34.55
	Sub Total [5]		<b>702.74</b>	<b>896.12</b>
	<b>2. Current Assets</b>			
	a. Current Investments		0.00	0.00
	b. Inventories	14	30.79	25.41
	c. Trade receivables	15	524.69	329.89
	d. Cash and cash equivalents	16	48.21	37.62
	e. Short-term loans and advances	17 (i) +(ii)	184.92	201.90
	f. Other current assets	18	0.00	0.00
	Sub Total [6]		<b>788.61</b>	<b>594.82</b>
	TOTAL [5+6]		<b>1491.35</b>	<b>1490.94</b>

Note 1: Notes to Accounts (numbered) and Significant Accounting Policies are integral part of these financial statements

As per our report of even date

For M/S **E. Phalguna Kumar & Co**

Chartered Accountants. Firm.Regno: 002644S

**A.C.Prabakar**

(M.No.026399) Partner

PLACE: CHENNAI

DATE : 10.01.2022

**K.Nagasubramanian**

Secretary

**Mary Stella Caroline**

Chief Finance Officer

**C.R.Balaji,**

Director

**C KAMARAJ, I.A.S.,**

Managing Director



## Statement of Profit &amp; Loss Account for the year ended March 31, 2021 (Rs. in LAKHS)

Sl.No	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
I	Revenue from operations	19	0.00	0.00
II	Other Income	20	1980.10	40.70
III	Total Revenue (I + II)		<b>1980.10</b>	<b>40.70</b>
IV	Expenses			
	a) Changes in stock of scrap work-in-process	21	-6.42	0.00
	b) Employee benefits costs	22	6.78	6.47
	c) Finance Costs	23	1259.02	1249.53
	d) Depreciation and amortisation expenses	24	58.02	63.53
	e) Other Expenses	25	227.50	133.88
	Total Expenses (IV)		<b>1544.90</b>	<b>1453.41</b>
V	Profit / (loss) before exceptional and extraordinary items and tax (III – IV)		435.20	-1412.71
VI	Exceptional / Prior period Adj items	26	14.07	-0.48
VII	Profit after exceptional/Prior period Adj items (V– VI)		421.13	-1412.23
VIII	Extraordinary Items		0.00	0.00
IX	Profit before tax (VII-VIII)		<b>421.13</b>	<b>-1412.23</b>
X	Tax expenses:			
	a. Current Tax	27	0.00	0.00
	b. Deferred tax		0.00	0.00
	Total Tax Expenses		0.00	0.00
XI	Profit / (Loss) after tax for the year from continuing operations (IX – X)		<b>421.13</b>	<b>(1412.23)</b>
	Profit / (Loss) for the year from discontinuing operations		0.00	0.00
XIII	Tax expenses of discontinuing expenses		0.00	0.00
XIV	Profit / (Loss) for the year from discontinuing operations (after tax) (XII – XIII)		0.00	0.00
XV	Net Profit / (Loss) for the year (XI + XIV)		<b>421.13</b>	<b>(1412.23)</b>
XVI	Earning per equity share:			
	1. Basic & Diluted		1.56	(5.24)

Note 1: Notes to Accounts (numbered) and Significant Accounting Policies are integral part of these financial statements

As per our report of even date

For M/S **E. Phalguna Kumar & Co**

Chartered Accountants. Firm.Reg.No: 002644S

**A.C.Prabakar**  
(M.No.026399) Partner

**K.Nagasuburamanian**  
Secretary

**C.R.Balaji**  
Director

**C KAMARAJ, I.A.S**  
Managing Director

PLACE: CHENNAI  
DATE : 10.01.2022

**Mary Stella Caroline**  
Chief Finance Officer



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH 2021

(Rs.in LAKHS)

Particulars	As at 31.03.2021		As at 31.03.2020	
<b>A. Cash flow from operating activities:</b>				
Net profit/(loss) before extraordinary items and tax		421.13		(1412.23)
(a) Adjustments for Depreciation and amortisation	58.02		63.53	
Interest & Finance costs	1259.02		1249.53	
Profit on Sale of Assets	-1687.98		-15.74	
Loss on Sale of Assets	26.93		3.38	
Interest income(From Deposit)	-3.10		-1.68	
Extraordinary / Prior period items	14.07		-0.48	
Sub Total (b)		-333.04		1298.54
Operating profit/(loss) before working capital changes				
C (a+b)		88.09		-113.69
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Inventories	-5.38		0.80	
Trade receivables	-194.86		1.10	
Loans and advances	9.52		1.42	
Other current assets	33.64	-157.08	104.03	107.35
Adjustments for increase/(decrease )				
in operating liabilities assets:				
Trade payables	-102.98		-32.15	
Other Liabilities & Provisions	-313.76		-12.29	
Sub Total (d)		-416.74		-44.44
Cash generated from operations	Sub Total (c+d)	-573.82		62.91
Extraordinary / Prior period items		-485.73		-50.78
Direct Taxes		-14.07		0.48
Net cash flow from operating Activities	Sub Total (e)	0	0	0
		-499.80		-50.30
<b>B.Cash flow from investing activities:</b>				
Capital expenditure on fixed assets		-1.09		-0.91
Capital advances for fixed assets		1771.34		24.62
Interest income		3.10		1.68
Net cash flow investing activities	Sub Total (f)	1773.35		25.39
<b>C. Cash flow from financing activities:</b>				
Increase/ (decrease) in long term borrowings		0.00		61.20
Increase/ (decrease) in working capital borrowings		-1262.35		-0.62
Finance costs		-0.61		0.30
Net cash flow from financing activities	Sub Total (g)	-1262.96		60.88
Tax paid	(h)	0		0
Net increase in cash and cash equivalents	Sub Total(e+f+g+h)	10.59		35.97
cash and cash equivalents at the beginning of the year		37.62		1.65
cash and cash equivalents at the end of the year		48.21		37.62

As per our report of even date

For M/S E. Phalgun Kumar &amp; Co

Chartered Accountants. Firm.Regn.No: 002644S

**A.C.Prabakar**

(M.No.026399) Partner

PLACE: CHENNAI

DATE : 10.01.2022

**K.Nagasuburamanian**

Secretary

**Mary Stella Caroline**

Chief Finance Officer

**C.R.Balaji**

Director

**C KAMARAJ, I A S**

Managing Director



Notes forming part of Financial Statements Ended March 2021

## 1) SIGNIFICANT ACCOUNTING POLICIES

### a) System of Accounting

- i. The Financial statements are based on historical cost convention and as per applicable Accounting principles, notified under the Companies Act, 2013 and the relevant provisions of the companies Act, 2013. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those adopted in the previous year.
- ii. The company has accumulated losses and net worth has been fully eroded. The company has incurred cash loss consistently over the years. Current liabilities exceeded its current assets as at the balance sheet date and this may cast significant doubt about the company's ability to continue as a going concern for the reasons given below.
  - a. The State Government has not taken any policy decision that may result in winding up of the company Company
  - b. Company being a State Government Undertaking does not expect to go lack of funding from the State Government for its continued existence,

### b. Property, Plant and Equipment

Property, Plant and Equipment stated at historical cost of acquisition including installation and erection charges up to the date of commissioning of the asset less accumulated depreciation.

### c. Depreciation

- i) The useful lives have been determined based on Schedule II to the Companies Act, 2013 based on technical evaluation done by management in order to reflect the actual usage of the assets.
- ii) The residual values are not more than 5% of the original cost of the asset.
- iii) Depreciation has been charged on a straight line basis as per the method prescribed under schedule II of the Companies Act 2013.

### d. Revenue Recognition

- i) Sales are stated at gross Invoice rates net of returns before charging GST and before allowing discounts. It is recognized at the time of passing of risk and ownership to the buyer.
- ii) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable thereon.
- iii) Other items of income are recognized as and when the right to receive arises.

### e. Valuation of Inventories

#### Raw materials, Stores and Spares

These are valued at lower of cost or net realisable value.





**f. Prior period and Propaid Expenses :**

Prior period, prepaid, outstanding expenses and incomes amounting more than 10,000/- only are recognised for prior period adjustment. Expenses of values more than 5,000/- only recognised for prepaid expenses and outstanding expenses.

**g. Impairment of Assets :**

The carrying amount of assets are reviewed at each Balance sheet date to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

**h. Cash and Cash Equivalents in cash flow statement**

Cash comprise of cash in hand and cash at bank in current account and cash credit accounts and short term deposits. Cash equivalents comprise of short term investments with an original maturity of 3 months or less, Short term deposits on lien to bank etc. are not considered as cash for the purpose of statement



## Notes forming part of Financial Statements ended 31st March 2021

(Rs. in LAKHS)

Notes No.	Particulars	31.3.2021	31.3.2020
2.	<b>Equity and liabilities</b>		
	<b>Shareholder's funds</b>		
	<b>(a) SHARE CAPITAL:</b>		
	<b>Authorised Capital:</b>		
	550,00,000 Equity shares of Rs10 each (Prev. year 550,00,000 Equity shares of Rs10 each)	5,500.00	5,500.00
	<b>Issued Capital : 271,10,000 Equity shares of Rs10 each</b> (Prev. year 271,10,000 Equity shares of Rs 10 each)	2,711.00	2,711.00
<b>Subscribed and Paid-up Capital:</b>			
269,56,800 Equity shares of Rs10 each fully paid up (Prev. year 269,56,800 Equity shares of Rs10 each fully paid up)	2,695.68	2,695.68	
Add: Share forfeiture	7.66	7.66	
	<b>2703.34</b>	<b>2703.34</b>	

Par value of Shares: Rs.10 each. (Prev.year: Rs.10 each)

## Reconciliation of Shares outstanding as at the end of the year:

Particulars	Units	As on 01-04-2020	Issued/ Subscribed during the year	Total	Shares Bought back	As on 31.03.2021
Issued	No.	27110000	-	27110000	-	27110000
	Value	2711.00	-	2711.00	-	2711.00
Subscribed & Fully paid up	No	26956800	-	26956800	-	26956800
	Value	2695.68	-	2695.68	-	2695.68
Subscribed & paid up ***	No	27110000	-	27110000	-	27110000
	Value	2703.34	-	2703.34	-	2703.34

\*\*\* (on account of forfeiture)

No shares of the company have been issued with differential rights including restrictions on distribution of dividends. The company has only one class of equity shares having par value of Rs. 10/- each; the equity shares rank pari passu in respect of payment of dividend and repayment of Capital. Each equity share held has one vote.

The company is not a subsidiary of any holding company. Hence disclosure regarding shares held by its holding company, etc are not applicable.

Particulars of shares held by each share holder holding more than 5 percent shares in the company.



Name of the Shareholder	No. of shares held		Percentage
	Current year	Previous year	
Governor of Tamil Nadu	22141400	22141400	82.14%

No shares of the company are reserved for issue under options and contracts / commitments for the sale of shares / disinvestment

**For a period of five years immediately preceding the date of Balance Sheet :**

- |   |     |
|---|-----|
| a) Aggregate no of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash | Nil |
| b) Aggregate number of shares allotted as fully paid up by way of bonus shares  | Nil |
| c) Aggregate number of shares bought back   | Nil |
| d) Securities convertible into Equity / preference shares   | Nil |
| e) Calls unpaid:  | Nil |
- Forfeited Shares : 153200 shares of Rs. 5/- paid up, Rs. 7,66,000/-

**3. RESERVES AND SURPLUS:**

Particulars	Balance as on 01-04-2020	Surplus for the year	Appropriations		Balance as on 31-03-2021
			Dividends	Others	
Surplus	-24324.61	421.13	-	-	-23903.48
<b>Total</b>	<b>-24324.61</b>	<b>421.13</b>	<b>0</b>	<b>0</b>	<b>-23903.48</b>
<b>4. NON-CURRENT LIABILITIES:</b>				<b>31.3.2021</b>	<b>31.3.2020</b>
<b>a) Long - term Borrowings:</b>					
(i) Term Loans:				0.00	0.00
b) <b>Unsecured</b> : From Banks				0.00	0.00
<b>From Others</b>				0.00	0.00
i) Loan From State Govt (VRS)				691.13	876.47
ii) Loan From State Govt (BOILER)				0.00	0.00
(iii) Loans and Advances from Related Parties (unsecured)				0.00	0.00
<b>Total</b>				<b>691.13</b>	<b>876.47</b>

**Note:**

**Long term Borrowings Unsecured referred to the extent of :**

- (1) V R S loan Rs 37.50 lakhs (Rs87.50 lakhs) from state Govt.as per G.O MS No.232/17.08.2007 with Moratorium period 2.5 years normal interest @ 9% and penal interest @ 2.5%, Annual repayment will be completed in September 2020.

**Notes forming part of Financial Statements ended 31st March 2021**

- (2) V R S loan Rs.102.45 lakhs (Rs.143.44 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5% ,Quarterly repayment will be completed in April 2021.
- (3) V R S loan Rs11.40 lakhs (Rs. 15.56 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5%, Annual repayment will be completed in February 2022.
- (4) V R S loan Rs. 6.38 akhs (Rs. 8.70 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5%, Annual repayment will be completed in March 2022.
- (5) V R S loan Rs.2.38 lakhs (Rs. 3.17 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Annual repayment will be completed in April 2022.
- (6) V R S loan Rs. 3.49 lakhs (Rs. 4.67 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5% ,Annual repayment will be completed in May 2022.
- (7) V R S loan Rs.5.89 lakhs (Rs.7.85lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5%, Annual repayment will be completed in June 2022.
- (8) V R S loan Rs. 2.03 lakhs (Rs. 2.66 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5%, Annual repayment will be completed in July 2022.
- (9) V R S loan Rs. 19.01 lakhs (Rs. 22.8 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Annual repayment will be completed in April 2024.
- (10) V R S loan Rs.190.50 lakhs (Rs.222.24 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Annual repayment will be completed in April 2025.
- (11) V R S loan Rs108.62 lakhs (Rs.125.33 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Annual repayment will be completed in November 2025.
- (12) V R S loan Rs.16.95 lakhs (Rs.19.55 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Annual repayment will be completed in December 2025.
- (13) V R S loan Rs. 169.49 lakhs (Rs.195.56 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Annual repayment will be completed in December 2025.
- (14) V R S loan Rs.15.08 lakhs (Rs.17.45 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Annual repayment will be completed in December 2025.



Notes forming part of Financial Statements ended 31st March 2021

(Rs. in LAKHS)

		<u>31.03.2021</u>	<u>31.03.2020</u>
<b>5.</b>	<b>b) Other Long-term liabilities</b>		
	(i) Trade Deposits and Advances		
	(a) Security deposit from agents	0.00	7.97
	(b) Deposit-rent	0.00	0.05
	(c) E.M.D from customers	4.09	4.09
	<b>Total</b>	<b>4.09</b>	<b>12.11</b>
<b>6</b>	<b>c) Long term provisions</b>		
	(a) Provision for employee benefits		
	(i) For Gratuity	0.00	0.00
	(ii) For leave salary	0.00	0.00
	(b) Others (specify nature)	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>

Note: (i) To the extent not repayable within twelve months

<b>7.</b>	<b>Current liabilities</b>		
	<b>a) Short Term Borrowings</b>		
	(i) <b>Secured:</b>		
	From Banks	0.52	1,262.88
		<b>0.52</b>	<b>1,262.88</b>
	<b>Note:</b>		
	(i) The secured loans have been secured by : Inventories and book debts		
	(ii) <b>Unsecured:</b>		
	From Others (other than banks)	4,562.66	4,562.66
	<b>Total</b>	<b>4,563.18</b>	<b>5,825.54</b>

Other Liability details

SI.No	Type	From	Nature of security	Amount	Amount
1	Cash credit	IOB/Vandranthangal Br	Against inventories & book debts & land mortgage	0.52	1,262.88
2	Term loan Government	Tamilnadu	unsecured	4,562.66	4,562.66
3	Ways & Means Advance	Tamilnadu Government	unsecured **	6,807.20	6,807.20
4	VRS Loan Government	Tamilnadu	unsecured **	2,408.76	2,408.76
5	Short term	Tamilnadu Government	unsecured **	114.39	114.39
			<b>Total</b>	<b>13,893.53</b>	<b>15,155.89</b>

\*\* Includes long term debts shown in note no.4 and current maturities of long term debt in 9 © (1)



**Notes forming part of Financial Statements ended 31st March 2021**

**Note: Short term Borrowings Secured** referred to the extent of :

- (1) Term loan for working capital Rs.4562.66 lakhs (Rs.4562.66 lakhs) interest free from Govt. of Tamil Nadu.
- (2) **(i) Ways & Means Adv (for working capital)** Rs. 500 lakhs & Rs.300 lakhs from state Govt as per G O MS No.236/23.08.2007 & MS No.30/29.02.2008 with normal interest @ 12% and penal interest @ 2.5% Quartely repayment will be completed by March 2008 respectively.  
**(ii) Rs.19 Lakhs ways & means Adv (for Bonus for Employees)** from state Govt.as per G.O.Ms No.220/12.12.2012 with normal interest 13%and penal interest 2.5% quarterly repayment will be 31.3.2013.
- (3) Rs.500 lakhs of Ways and means advance for working capital from State Govt.as per G.O.Ms.No. 207 dated 2.9.2015 with normal interest of 13.5% and penal interest of 2.5% and repayment to be completed by 31.3.2016.
- (4) Rs. 212 lakhs of Ways and means advance for working capital from State Government as per G.O.Ms.No.71 dated 28.4.2016 with normal interest of 13.5% and penal interest of 2.5% and repayment to be completed by 31.3.2017.
- (5) Rs. 500 lakhs of Ways and means advance for working capital from State Government as per G.O.Ms.No. 21 dated 9.3.2017 with normal interest of 13.5% and penal interest of 2.5% and repayment to be completed by 31.3.2017.
- (6) Rs.4715 lakhs of Ways and means advance for VRS from State Government as per G.O.Ms.No. 116 dated 28.9.2017 with normal interest of 13% and penal interest of 2.5% and repayment to be completed by 31.3.2018.
- (7) Rs.61.20 lakhs of Ways and means advance for Salary & other Expenses from State Govt as per G.O.Ms. No.77/28.2.2020 with normal interest of 13.30 % and penal interest of 2.5% and repayment to be completed by 31.03.2020.
- (8) V R S loan Rs.612.50 lakhs (Rs. 562.50 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 9% and penal interest @ 2.5% Annual repayment will be completed in Sep-2020.
- (9) V R S loan Rs.430.33 lakhs (Rs. 389.35 lakhs) from state Govt. as per G.O MS No.186/ 10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5% Quarterly repayment will be completed in Nov-2021
- (10) V R S loan Rs. 42.61 lakhs (Rs.38.45 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5%, Quarterly repayment will be completed in Nov-2022.
- (11) V R S loan Rs.23.78 lakhs (Rs.21.46 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5% Quarterly repayment will be completed in Mar-2022.
- (12) V R S loan Rs.7.90 lakhs (Rs.7.11 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5% Quarterly repayment will be completed in Apr-2022.
- (13) V R S loan Rs.11.71 lakhs (Rs.10.54 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5% Quarterly repayment will be completed in May 2022.

**Notes forming part of Financial Statements ended 31st March 2021**

- (14) V R S loan Rs.19.66 lakhs (Rs.17.69 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5% Quarterly repayment will be completed in Jun 2022.
- (15) V R S loan Rs.6.12 lakhs (Rs.5.49 lakhs) from state Govt.as per G.O MS No. 186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5%, Quarterly repayment will be completed in July 2022.
- (16) V R S loan Rs.30.40 lakhs (Rs.26.60 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5% ,Quarterly repayment will be completed in July 2022.
- (17) V R S loan Rs. 222.23 lakhs (Rs.190.48 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5%, Quarterly repayment will be completed in July 2022.
- (18) V R S loan Rs.108.65 lakhs (Rs.91.93 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years, with normal interest @ 4% and penal interest @ 2.5%, Quarterly repayment will be completed in July 2022.
- (19) V R S loan Rs.16.96 lakhs (Rs.14.35 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5%, Quarterly repayment will be completed in July 2022.
- (20) V R S loan Rs.169.51 lakhs (Rs.143.43 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5%,Quarterly repayment will be completed in July 2022.
- (21) V R S loan Rs.15.26 lakhs (Rs.12.91 lakhs) from state Govt.as per G.O MS No.186/10.10.2008 with Moratorium period 3 years,with normal interest @ 4% and penal interest @ 2.5%,Quarterly repayment will be completed in July 2022.
- (22) short Term loan Rs.21.39 lakhs (Rs. 21.39 lakhs) from state Govt. with normal interest @ 16% Quarterly repayment.
- (23) short Term loan Rs.93.00 lakhs (Rs.93 lakhs) from state Govt.for New Boiler Plant by Monthly repayment, with normal interest @ 11% and penal interest 2.5%, monthly repayment will be completed in July 2016.



<b>8.</b>	<b>(b) TRADE PAYABLES</b>	<b><u>31.3.2021</u></b>	<b><u>31.3.2020</u></b>
	(i) Trade payable-Micro,Small and Medium Enterprises	<b>0.00</b>	<b>27.30</b>
	(ii) Trade payable-Others	<b>52.41</b>	<b>128.09</b>
		<b>52.41</b>	<b>155.39</b>
<b>9.</b>	<b>(c) Other short term current liabilities</b>		
	(i) Current maturities of long-term debt	<b>8639.21</b>	<b>8453.88</b>
	(ii) Int on loans – accrued and due		
	(a) Int on Ways & Means advance	<b>5052.03</b>	<b>3998.66</b>
	(b) Int on VRS loan	<b>1995.02</b>	<b>1805.95</b>
	(c) Int on S T loan	<b>197.96</b>	<b>181.98</b>
	(iii) Advance received from customers	<b>376.61</b>	<b>573.64</b>
	(iv) Security deposit from suppliers/contractors	<b>45.25</b>	<b>83.51</b>
	(v) Commision Payable to Customers	<b>0.00</b>	<b>4.07</b>
	(vi) Sundry creditors expenses		
	(a) Tax deducted at source	<b>0.00</b>	<b>0.00</b>
	(b) GST Payable	<b>0.00</b>	<b>0.74</b>
	(c) TN VAT & Central Sales tax	<b>351.33</b>	<b>351.33</b>
	(d) Professional tax	<b>53.83</b>	<b>53.83</b>
	(e) Outstanding expenses	<b>49.82</b>	<b>52.28</b>
	(f) Employee benefit expenses	<b>13.56</b>	<b>13.54</b>
	(g) Others (freight payable,etc..)	<b>555.68</b>	<b>555.52</b>
	<b>Total</b>	<b>17330.30</b>	<b>16128.93</b>
<b>10.</b>	<b>SHORT TERM PROVISIONS</b>	<b><u>31.3.2021</u></b>	<b><u>31.3.2020</u></b>
	<b>(a) Provisions for employee benefits</b>		
	(i) For Gratuity	<b>21.23</b>	<b>75.95</b>
	(ii) For leave salary	<b>6.74</b>	<b>15.41</b>
	<b>Total</b>	<b>27.97</b>	<b>91.36</b>
	<b>(b) Provisions for Taxation</b>	<b>22.41</b>	<b>22.41</b>





Notes forming part of Financial Statements ended 31st March 2021

**11. Property, Plant & Equipments****Non-current assets****a) Fixed Assets****i) Tangible assets**

(Rs. in LAKHS)

Description of assets	Gross Book				Depreciation of assets				Net Block	
	As at 01.04.2020	Addition during the year	Adjustments/ Transfer	As at 31.03.2021	Upto 01.04.2020	For the Year	Adjustments/ Transfer	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
(i) Land	43.10	0.00	22.38	20.72	0.00	0.00	0.00	0.00	20.72	43.10
(ii) Buildings & its connected structures	1294.25	0.00	61.91	1232.34	1003.65	38.61	49.50	992.76	239.58	290.61
(iii) Plant and machinery	7418.42	0.00	987.67	6430.75	6906.18	18.51	912.55	6012.14	418.61	512.22
(iv) Furniture fittings	44.93	0.00	1.01	43.92	41.46	0.23	0.98	40.71	3.21	3.44
(v) Office equipments & other assets	170.18	0.34	5.03	165.49	158.62	0.65	4.80	154.47	11.02	11.56
(vi) Vehicles	13.53	0.75	3.51	10.77	12.89	0.03	3.38	9.54	1.23	0.64
<b>Total</b>	<b>8984.41</b>	<b>1.09</b>	<b>1081.51</b>	<b>7903.99</b>	<b>8122.80</b>	<b>58.03</b>	<b>971.21</b>	<b>7209.62</b>	<b>694.37</b>	<b>861.57</b>
Previous years figures	9105.77	0.91	122.27	8984.41	8169.33	63.53	110.02	8122.84	861.57	936.44

**12. Non-current assets Investments**

- In Equity instruments (fully paid) (unquoted)

**13. Other non current assets**

- (a) i. Advance for Civil works  
 ii. Deposit with TANGEDCO  
 iii. Deposit others  
 iv. Deposit for Gas, etc.,  
 v. Deposit with BSNL  
 vi. Special adv to empl

	31.03.2021	31.03.2020
	0.00	0.00
	0.92	0.92
	4.35	4.27
	1.94	2.35
	0.53	0.53
	0.41	0.41
	0.22	26.07
<b>Total</b>	<b>8.37</b>	<b>34.55</b>



## Notes forming part of Financial Statements ended 31st March 2021

(Rs. in LAKHS)

	31.03.2021	31.03.2020
<b>14. (b) Inventories</b>		
(i) Raw materials & packing materials	12.01	12.01
(ii) Stores and spares	9.11	10.15
(iii) loose tools	3.25	3.25
(iv) Scrap stock	6.42	0.00
<b>Total</b>	<b>30.79</b>	<b>25.41</b>
<b>15. (c) Trade receivables Secured</b>		
i) outstanding for a period exceeding 6 months from due date	0.00	0.00
(ii) outstanding for a period less than 6 months from due date	0.00	0.00
<b>Sub Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Unsecured</b>		
(i) outstanding for a period exceeding 6 months from due date	336.08	329.89
(ii) outstanding for a period less than 6 months from due date	188.61	0.00
Bad & Doubtful debts	0.00	110.02
	524.69	439.91
Less: Provision for Bad & Doubtful debts	0.00	110.02
<b>Net Trade Receivables (Considered Good)</b>	<b>524.69</b>	<b>329.89</b>
<b>16. (d) Cash and cash equivalents</b>		
(a) Balances with banks Current a/c	48.10	37.40
(b) Cash on hand	0.11	0.22
<b>Total</b>	<b>48.21</b>	<b>37.62</b>
<b>17. Short term loans and advances</b>		
<b>(i) Loans and advances to Others</b>		
Unsecured considered good		
(i) Sundry Advance+Other Adv+Adv to Canteen	0.10	12.54
(ii) Adv to suppliers	35.72	32.31
(iii) prepaid expenses	0.66	0.76
(iv) Claims receivables	108.43	107.86
(v) Other adv to empl.	0.54	1.50
(vi) Bad & Doubtful Adv.	0.00	22.90
	<b>145.45</b>	<b>177.87</b>
Less provision for Bad & Doubtful Adv.	<b>0.00</b>	<b>22.90</b>
Loans & advance others	<b>145.45</b>	<b>154.97</b>
<b>(ii) others(specify nature)</b>		
<b>a) Deposits with service dept.</b>		
i. Deposit for MODVAT	19.11	26.57
ii. E.M.D on sales	17.36	17.36
iii. Deposit with excise	3.00	3.00
(b) Deposits with banks	0.00	0.00
	<b>39.47</b>	<b>46.93</b>
	<b>184.92</b>	<b>201.90</b>
<b>18. (i) other current assets</b>		
Interest Receivable	0.00	0.00



## Notes forming part of Financial Statements ended 31st March 2021

(Rs. in LAKHS)

		31.03.2021	31.03.2020
<b>19. Revenue from Operations Sales</b>			
Gross Sale of Finished goods		0.00	0.00
	TOTAL (Gross Sales)	0.00	0.00
Less: Excise Duty/GST		0.00	0.00
	<b>Net Sales</b>	0.00	0.00
<b>20. Other income</b>			
Sale of scrap		0.00	11.04
Interest on deposits		3.10	1.68
Miscellaneous income		1977.00	27.98
	<b>Total</b>	<b>1980.10</b>	<b>40.70</b>

**21. Change in Inventories of FG**

PLANT	YEAR ENDED 31-03-2021				YEAR ENDED 31-03-2020			
	OPENING STOCK	Adjustment	CLOSING STOCK	CHANGE IN STOCK	OPENING STOCK	Adjustment	CLOSING STOCK	CHANGE IN STOCK
Scrap	0.00	0.00	6.42	-6.42	0.00	0.00	0.00	0.00
Total	0.00	0.00	6.42	-6.42	0.00	0.00	0.00	0.00

**22. Employee benefits expenses**

Salaries Wages	6.78	6.47
VRS Compensation	0.00	0.00
<b>Total</b>	<b>6.78</b>	<b>6.47</b>

**23. Interest and Financial charges**

(a) Interest on working capital	0.52	0.00
(b) Interest on ways & means advance	1053.36	1044.18
(c) Interest on VRS Loan	189.07	189.07
(d) Interest on short term loan	15.98	15.98
(e) Bank charges	0.09	0.30
<b>Total</b>	<b>1259.02</b>	<b>1249.53</b>

**24. Depreciation**

<b>58.02</b>	<b>63.53</b>
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## Notes forming part of Financial Statements ended 31st March 2021

(Rs. in LAKHS)

<b>25. Other Expenses</b>		
<b>(a) Consumption of Power &amp; fuel</b>		
Power	10.70	11.28
<b>Total</b>	<b>10.70</b>	<b>11.28</b>
<b>(b) Repairs &amp; maintenance</b>		
Vehicles	3.23	4.08
Others	10.86	0.96
<b>Total</b>	<b>14.09</b>	<b>5.04</b>
<b>(c) Administrative expenses</b>		
(i) Rent	9.11	9.11
(ii) Casual Wages & Welfare	112.78	73.55
(iii) Loss on sale of fixed Assets	26.93	3.63
(iv) Bad Debts written off	24.97	0.00
(v) Advertisement	1.26	0.00
(vi) Insurance	1.91	1.25
(vii) Rates & Taxes		
(a) Rates & Taxes	1.02	0.27
(b) Licence Fees	0.00	6.30
(viii) Professional & consultation fees	8.61	5.88
(ix) Audit fees	1.46	1.14
(x) Printing & stationery	4.71	3.17
(xi) Travelling expenses		
(a) Directors	0.03	1.30
(b) Others	1.37	3.05
(xii) Postage & Telephone charges	2.09	1.98
(xiii) Office expenses	3.75	6.35
(xiv) Testing & works charges	0.06	0.00
<b>Total</b>	<b>200.06</b>	<b>116.98</b>
<b>(d) Selling expenses</b>		
(i) Sales expenses-General	2.65	0.58
(ii) Freight outward	0.00	0.00
<b>Total</b>	<b>2.65</b>	<b>0.58</b>
Other Expenses Total (a to d)	<b>227.50</b>	<b>133.88</b>
<b>26. Prior period Expenses</b>		
1. CANTEEN EXPENSES	0.00	0.21
2. TAXES	0.00	-0.69
3. EMPLOYEE EXPENSES	6.21	-
4. INTEREST	0.50	-
5. MEETING EXPENSES	0.10	-
6. FREIGHT INWORDS	0.12	-
7. STORES AND SPARES	1.20	-
8. WOODEN PARTITION WORK	5.94	-
<b>Total</b>	<b>14.07</b>	<b>0.48</b>
27. PROVISION FOR TAXATION	0.00	0.00



## 28. BREAK-UP FOR CONTINGENT LIABILITIES

Rs. in lakhs

Sl.No	NAME OF PARTY	PARTICULARS OF CLAIM	AMOUNT
1.	EPF ORGANISATION, VELLORE	PENAL DAMAGES AND INTEREST FOR DELAYED REMITTANCE OF PF AMOUNT	146.96
2.	EPF ORGANISATION, VELLORE	PENAL DAMAGES AND INTEREST FOR DELAYED REMITTANCE OF PF AMOUNT	584.85
3.	EPF ORGANISATION, VELLORE	PENAL DAMAGES AND INTEREST FOR DELAYED REMITTANCE OF PF AMOUNT	97.89
4.	AN SIRCAR	ENHANCED COMPENSATION CASE	81.00
5.	D. HARIDOSSEX.CL	COMPENSATION AMOUNT	0.20
6.	A VENKATESAN & 66 OTHERSEX-CL	COMPENSATION AMOUNT	23.90
7.	C. ELAMARAN	COMPENSATION AMOUNT	0.20
8.	A. MANOGARAN EX.CL	COMPENSATION AMOUNT - Rs. 35,000/-	
9.	K. JAYAKUMAR EX-CL	COMPENSATION AMOUNT - Rs. 35,000/-	
10.	N. JAGADEESAN EX-CL	COMPENSATION AMOUNT - Rs. 35,000/-	1.05
11.	P. SENTHAMIZHIL & SIVAGNANA KUMAR EX EMPL	COMPENSATION AMOUNT - Rs. 50,000/-	
12.	A. SELVAM EX-COMPANY TRAINEE	COMPENSATION AMOUNT - Rs. 50,000/-	
13.	S. KUMARESAN	COMPENSATION AMOUNT - Rs. 50,000/-	
14.	R. RAVIKUMAR	COMPENSATION AMOUNT - Rs. 50,000/-	
15.	RAJAGOPAL EX COMPANY TRAINEE	COMPENSATION AMOUNT - Rs. 50,000/-	2.50
16.	E. SAMPATH KUMAR	COMPENSATION AMOUNT - Rs	0.35
17.	JHONBRITTO	COMPENSATION AMOUNT	1.40
19.	SERVICE TAX DEPARTMENT	SERVICE TAX LIABILITY	6.04
		Total	946.34



## Notes forming part of Financial Statements ended 31st March 2021

## 29. Additional notes forming part of Balance Sheet and Profit / Loss Statements:

## 1) Details of payments and provisions made to Managing Director during the year:

Particulars	2020-21 (Rs. in Lakhs)	2019-20 (Rs. in Lakhs)
C. Kamaraj I.A.S Salaries and Allowances	6.78	6.47
Other benefits	0.00	0.00

## 2) Payments to Statutory Auditors

Particulars	2020-21 (Rs.in Lakhs)	2019-20 (Rs.in Lakhs)
Statutory Audit Fee	1.03	0.85
Others	0.42	0.29
<b>Total</b>	<b>1.45</b>	<b>1.14</b>

## 3) Interest Provision not made in respect of the following Loans

Particulars	Un provided Interest for the Year		Un provided Cumulative interest up to	
	2020-21	2019-20	2020-21	2019-20
Interest on Low interest loan from Govt. of Tamil Nadu <b>Rs.100 Lakhs</b>	303.53	273.33	2877.81	2574.28
Interest and penal interest in respect of Ways & means Advance from Govt. of Tamil Nadu Rs.120 Lakhs	467.64	391.23	2826.69	2359.05
<b>Total</b>	<b>771.17</b>	<b>664.56</b>	<b>5704.50</b>	<b>4933.33</b>

4. Micro, small and medium enterprises development Act, 2006: Based on the information available with the company the amounts payable under the said act is NIL.

5. The central government has banned the possession and uses of Nitroglycerine based explosives in India vide Gazette notification No GSR59 (E) dt: 21.01.2004. However, the company has stopped manufacture of NG based explosives w.e.f 31.03.2004. Consequent to the above developments the following accounting measures have been adopted by the company.

All the plant and machinery used in the manufacture of NG explosives have been put to alternate use and hence no change in the accounting for depreciation has been made in respect of these plant and machineries. In view of the same the plant and machinery in the Nitro Glycerin production unit have not been written off.

## 6. Deferred Tax

In view of the company incurring losses continuously from the years 2004-05 there is no virtual certainty of taxable income in the near future. As such deferred tax asset for the year 2020-21 has not been recognized. However the Income Tax Department had demanded a sum of Rs. 47.17 and Rs. 34.59 lakhs for the Assessment Year 2001-02 and 2002-03 respectively. Demand raised by IT dept was fully provided in the book of accounts. The same was remitted on installment basis of Rs.5 lakhs per month of FIVE installments up to Aug-2014 as per Income Tax Recovery officer letter No:TR No. 160-T/200809/TRO-III dated: 14.03.2014 and 34.35 lakhs was paid by Debtor (M/s. Maxam India Pvt Ltd) on 28.02.2014 Remaining amount of Rs.22.41Lkhs was pending due to Income Tax department's appeal to Income Appellate Tribunal. The Appellate Tribunal vide its order dated 29.01.2016 has dismissed the appeal.

## 7. CLAIMS RECEIVABLE

The company had filed a criminal case against M/s 3A Chemicals Private Limited for recovery of Rs.96.20 lakhs for not supplying the plant and machinery and the case has been dismissed in the Madras High court.

8. As required by the Accounting standard (AS 28)-"impairment of Assets" issued by the Institute of Chartered Accountants of India the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.



## 9. Related party disclosure-key Management Personnel

Transaction	Name of the Directors	2020-21(Rs. in Lakhs)	2019-20 (Rs.in Lakhs)
Managing Director	C Kamaraj I.A.S.,	6.78	6.47

## 10. The Basic and diluted earnings per share is arrived as detailed below :

Particulars	2020-21 (Rs. in Lakhs)	2019-20 (Rs. in Lakhs)
Net Profit / (Loss) after Tax	421.13	(1412.23)
No of shares subscribed and paid up	26956800	26956800
Basic and Diluted earnings per share	1.56	(5.24)

11. Confirmation of balance in respect of Trade Receivables, Trade Payables and Advances to suppliers and others parties are yet to be received and reconciled. As the amount of bad & doubtful debts has not been determined / ascertained, provisions are yet to be made in the book of accounts for this year.
12. The company had entered in to a lease agreement with Bharat Electronics Limited, Bangaluru , for leasing its part of Land and Building for a period of 29 years which had come into effect from 22.5.2021
13. Figures for the previous year are given in brackets and have been regrouped, reworked and recast to the extent necessary

Signatories to SI No.I & II

As per our report of even date

**For M/s E. Phalguna Kumar & Co.,**

Chartered Accountants

Firm Registration No. 002644S

**A.C.Prabakar**  
(M.No.026399) Partner

**K.Nagasuburamanian**  
Secretary

**C.R.Balaji,**  
Director

**C KAMARAJ I.A.S.,**  
Managing Director

Date: 10.01.2022  
Place: Chennai

**C. Mary Stella Caroline**  
Chief Finance Officer