



**DHUNSERI
VENTURES
LIMITED**



ANNUAL REPORT 2020-21

Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions.

We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Board's Report

Dear Members

Your Directors are pleased to present the 105th Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2021.

Financial Results

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Turnover and other income	16,668.94	6,229.61
Profit before interest and depreciation	14,536.59	2,359.44
Interest	377.80	549.76
Profit before depreciation	14,158.79	1,809.68
Provision for depreciation	216.94	141.98
Profit before exceptional item and tax	13,941.85	1,667.70
Exceptional Item	-	-
Profit before tax	13,941.85	1,667.70
Provision for tax		
- Current tax	664.45	239.61
- Deferred tax	961.59	(355.32)
- Adjustment for earlier years	-	-
Profit after tax	12,315.81	1,783.41
Profit/(Loss) for the year	12,315.81	1,783.41
Opening Balance of Retained Earnings (Surplus in Statement of Profit and Loss)	44,432.76	45,405.19
Profit/(Loss) for the year	12,315.81	1,783.41
Other Comprehensive Income	14.80	(12.63)
Total Comprehensive Income for the Year	12,330.61	1,770.78
Transfer within equity- Gain on sale of equity shares designated as FVOCI-transfer to retained earnings (net of tax)	3,881.70	(1,054.24)
Dividends paid	(175.12)	(1,400.99)
Tax on dividend	-	(287.98)
Closing Balance in Retained Earnings	60,469.95	44,432.76

Current Status on New Project

For the implementation of the new project of manufacturing of Polyester Film (BOPET), your Company has incorporated a new Wholly Owned Subsidiary named "Dhunseri Poly Films Private Limited" with effect from November 28, 2020.

After a long survey and careful examination of various aspects on the Chemical project, your Company had decided not to proceed with the project due to non-availability of raw material and the Project cost estimate to be very high making the project unviable for your Company.



Operations

The income of your Company during the year under review comprised of income from royalty and investment activities.

Global Pandemic - COVID-19

Your Company has considered the possible risk that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including investments and other financial and non-financial assets. As per the assessment carried out by the management based on the internal and external information available upto the date of approval of the financial statements, your Company does not foresee any uncertainty related to recoverability or liquidation of the assets and also about the ability of the non-financial assets to generate future economic benefits.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as on the date of approval of the financial statements and your Company will continue to closely monitor any material changes to future economic conditions.

Material changes and commitments affecting financial position of the Company

There are no material changes and commitment affecting financial position of your Company, which has occurred between the end of the financial year of your Company i.e. March 31, 2021 and the date of this Report.

Dividend

Your Directors have recommended a dividend @ ₹2.50/- (Previous Year @ ₹0.50/-) per equity share of ₹10/- each for the year ended March 31, 2021 subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM).

Directors and Key Managerial Personnel

Mrs. Aruna Dhanuka (DIN: 00005677) will be re-appointed as the Managing Director of your Company w.e.f. February 1, 2022 for a period of five years, based on the approval of the Board at its meeting held on June 2, 2021, subject to the approval of the members at this AGM. Your Directors recommend approval of her reappointment as the Managing Director of your Company.

Mr. Rajiv Kumar Sharma (DIN: 05197101) has been re-appointed as the Executive Director (Finance) & CFO of your Company w.e.f. April 1, 2021 for a period of three years, based on the approval of the Board at its meeting held on February 9, 2021, subject to the approval of the members at this AGM. Your Directors recommend approval of his reappointment as the Executive Director (Finance) & CFO of your Company.

Mr. Sameer Sah (DIN: 01844078) has been appointed as an Additional Director of your Company (in the category of an Independent Director) w.e.f. March 17, 2021 considering his integrity, expertise and experience in corporate advisory, foreign investments and private equity, etc. and is proposed to be appointed as an Independent Director for a term of five consecutive years at the ensuing AGM. Appropriate resolution for his appointment is being placed for the approval of the members of your Company at the ensuing AGM. The Board of Directors of your Company recommended his appointment as an Independent Director of your Company.

Mr. Siddhartha Rampuria (DIN: 00755458) has resigned from the post of Independent Director of your Company w.e.f. January 18, 2021 due to his incapacity to devote the required time to the affairs of your Company. Your Board of Directors wish to place on record their sincerest appreciation for the contribution made by him during his tenure.

Declaration from Independent Directors on Annual Basis

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 ('the Act') as well as the Rules made thereunder and are Independent of the management.

Your Company had received the declaration of Independence u/s 149(7) of the Companies Act, 2013 from all the Independent Directors of your Company specifying that they meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs ("MCA"), regarding the requirement relating to enrollment in the Data Bank for Independent Directors.

Policy on Directors' Appointment and Remuneration

The policy of your Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, Independence of a Director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at (<http://aspetindia.com/wp-content/uploads/2019/04/Nomination-and-Remuneration-Policy-1.pdf>). We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company.

Directors' Responsibility Statement Pursuant to Section 134(5) of the Companies Act, 2013

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

- (a) That in the preparation of the annual accounts, the applicable accounting standards aligned with IND AS had been followed along with proper explanation relating to material departures, if any;
- (b) That the Directors had selected such accounting policies aligned as per IND AS and applied them consistently, made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the FY and of the profit and loss of the Company for that period;
- (c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors prepared the annual accounts on a going concern basis;
- (e) That the Directors, had laid down Internal Financial Controls for the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- (f) That the Directors had devised proper systems to ensure

compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Holding, Subsidiaries and Joint Ventures:

I. Holding Company:

Dhunseri Investments Ltd. is holding 56.44% of the equity share capital of your Company as on March 31, 2021.

II. Subsidiary Companies:

A. Dhunseri Infrastructure Ltd.

The Company had been developing an "Information Technology Park" at Kolkata IT Park, SEZ, Bantala which was on hold primarily due to adverse market of IT industry as a whole. The Board of Approvals, Ministry of Commerce & Industries, Government of India vide Notification dated December 17, 2019 has made all the SEZs as "Multi-Sector Special Economic Zones". In view of the aforesaid, the Company is considering various options for the utilization of the land for other industries including leather and allied industries and possible use of the SEZ and benefits available thereon. The Board is working for utilising the space and is quite optimistic that it will start giving positive results once the pandemic situation improves.

B. Dhunseri Poly Films Pvt. Ltd.

Your Company is holding 1,54,10,000 shares (100.00%) of the equity share capital in Dhunseri Poly Films Pvt. Ltd. as on March 31, 2021.

Dhunseri Poly Films Pvt. Ltd. was incorporated w.e.f. November 28, 2020 as a wholly owned subsidiary of your Company to carry on the new business of manufacture of Polyester Film (BOPET). Our subsidiary has taken land possession from West Bengal Industrial Development Corporation (WBIDC) and for BOPET Film Line, the Company has signed a contract with Bruckner Maschinenbau GmbH & Co. KG, a reputed German supplier and an advance for the same has been paid.

The project is likely to start its production from first quarter of 2023.



C. Twelve Cupcakes Pte. Ltd.

Your Company is holding 52,90,000 shares (88.68%) of the equity share capital in Twelve Cupcakes Pte. Ltd.

The Corporate Guarantee in favour of Standard Chartered Bank is reduced from SGD 2.1 Mn (₹1,106.26 lakhs) to SGD 1.05 Mn (₹570.48 lakhs) during the FY 2020-21 in respect of the loan taken by its subsidiary, Twelve Cupcakes Pte. Ltd.

The number of outlets of Twelve Cupcakes Pte Ltd. as on March 31, 2021 is 34.

III. Associate Companies:

A. IVL Dhunseri Petrochem Industries Pvt. Ltd.

Your Company continues to hold 50% of the equity share capital in IVL Dhunseri Petrochem Industries Private Ltd.

B. IVL Dhunseri Polyester Company S.A.E.

An amount of USD 16.45 Mn which was outstanding from IVL Dhunseri Polyester Co. S.A.E equivalent to ₹11,724.57 lakhs was converted into 16,45,000 equity shares of USD 10 each and the allotment of shares were completed on March 4, 2021 after obtaining all local approvals.

Your Company continues to hold 50% stake in IVL Dhunseri Polyester Company S.A.E and the balance 50% stake is held by Indorama group.

Tastetaria Foods Pvt. Ltd. has ceased to be your Company's Associate Company w.e.f March 8, 2021 as your Company has divested its entire shareholding of 25% in Tastetaria Foods Pvt. Ltd. in favour of its existing JV partner Choicest Enterprises Limited ("CEL") of Ambuja Neotia group and its impact is captured in the financials.

Information about the Financial Performance/Financial Position of the Subsidiaries, Associate and Joint Venture

A separate statement containing the salient features of Financial Statements of all Subsidiary/Associate/Joint Ventures of your Company forms a part of consolidated Financial Statements in compliance with Section 129 and other applicable provisions,

if any, of the Companies Act, 2013. Shareholders desirous of obtaining the report and accounts of your Company's subsidiaries may obtain the same upon request. It is also available on the website of your Company www.aspetindia.com. In view of the second wave of COVID-19 and continuing statutory restrictions on the movement of persons at several places in our Country, Members may send an advance request at the e-mail investors@aspetindia.com for an electronic inspection of the aforesaid documents.

As required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Audited Consolidated Financial Statements of your Company are also attached and forms part of your Company's Annual Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/Outgo

There are no particulars in regard to the conservation of energy, technology absorption as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

The Foreign exchange expenses/outflow in the FY 2020-21 is ₹88.51 lakhs.

Further, earnings/inflow in foreign exchange in the FY 2020-21 is ₹52.41 lakhs.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 the Annual Return as on March 31, 2021 is available on the Company's website on <http://aspetindia.com/wp-content/uploads/2021/07/Form-MGT-7.pdf>

Corporate Social Responsibility

A Corporate Social Responsibility Committee was reconstituted on July 3, 2020 with Mr. C.K.Dhanuka, as the Chairman, Dr. B.Sen and Mrs. A.Kanoria as the members.

The updated Corporate Social Responsibility Policy of your Company is available in the Company's website (weblink: <http://aspetindia.com/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>)

Your Company carries out CSR activities mainly through Dhanuka Dhunseri Foundation (DDF) or any other implementing agency as the CSR Committee and the Board decides.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is attached as “**Annexure-A**” to this Report.

Details Relating to Remuneration to Directors, Key Managerial Personnel and Employees

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/Employees of your Company is attached as “**Annexure-B**” to this Report.

Auditors and Auditors’ Report

Statutory Auditors

M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), the present Statutory Auditors of your Company shall hold office till the end of 106th AGM which was approved in the AGM held on August 7, 2017.

The Auditors’ Report for the FY 2020-21 does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditors and Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mamta Binani & Associates, Practising Company Secretaries was appointed as the Secretarial Auditor of your Company for the FY 2020-21.

The Secretarial Audit Report issued by Mamta Binani & Associates, Practising Company Secretaries for the FY ended March 31, 2021 is attached as an “**Annexure-C**” to this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Records and Cost Auditors

The provisions of Cost Audit and Records as prescribed under Section 148 of the Companies Act, 2013, are not applicable to your Company.

Business Responsibility Report

In terms of Regulation 34(2)(f) of the Listing Regulations, the Company has voluntarily prepared the BRR describing the initiatives taken by the Board from an environmental, Social and Governance perspective.

The said BRR is forming part of the Annual Report and is attached as an “**Annexure-D**” to this Report and is also uploaded on the website of the Company at www.aspetindia.com

Adequacy of Internal Financial Controls with reference to Financial Statements

Your Company has in place adequate internal financial controls as required u/s 134(v)(e) of the Companies Act, 2013. Your Company has adopted policies and procedures 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 disclosures. During the year, such controls were tested with reference to Financial Statements and no material weakness in the design or operation was observed.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 7 of the Standalone Financial Statements.

Risk Management

Your Company has established a Risk Management Policy as approved by the Board. The two major mechanisms of risk management are the Monitoring of Statutory, Legal, Investment Compliances and the Internal Audit.

Related Party Transactions

All the contracts/arrangements/transactions entered by your Company during the financial year with related parties were in the ordinary course of business and on an arm’s length basis. They were on similar terms as per the terms and conditions of the agreements entered into between the parties.

None of the transactions with any of the related parties was in conflict with the Company’s interest.



The necessary disclosures regarding the transactions are provided in the notes to accounts. Your Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and the Board of Directors were taken wherever required in accordance with the Policy.

Annual evaluation of the performance of the Board, its Committees and Individual Directors

The Independent Directors of your Company had reviewed the performance of non-Independent Directors and the Board as a whole along with the performance of the Chairman of your Company at its meeting held on February 9, 2021.

The Independent Directors well appreciated the functioning of the Board of Directors as well as the Committees of the Board. They were also highly satisfied with the leadership role played by the Chairman. The Board of Directors works as a team and there were detailed discussion at the meetings on various agenda items. The Board is a well-diversified team consisting of persons having expertise in the fields of Banking, Finance, Law as well as professionals and industrialist. The Board through its Committees i.e. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee is in a position to have its executed overall supervision at all these key areas. All the Directors participate effectively without any restraint to express their views.

The Board of Directors at its meeting held on June 2, 2021 had evaluated the performance of the Independent Directors based on a list of evaluation criteria for performance evaluation. The effectiveness of the Board was discussed and evaluated based on the evaluation criteria as well as the performance evaluation of the Board Committees was also conducted at the same meeting.

The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The guidance note issued by SEBI on Board Evaluation

was duly considered while conducting the evaluation exercise. Separate exercise was carried out to evaluate the performance of Individual Directors on parameters such as qualifications, experience, availability and attendance, constructive contribution, knowledge and competency etc.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body, which is well engaged with different perspectives and is believed that it is the collective effectiveness of the Board that impacts Company's performance. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings.

Corporate Governance, Management Discussion and Analysis Reports

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34(3) and Schedule V of the Listing Regulations. A report on Corporate Governance and Management Discussion and Analysis Report are included as a part of this Report.

Certificate from the Secretarial Auditors of your Company confirming the compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report.

The details of Board Meetings held during the FY 2020-21, details of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Nomination and Remuneration policy and Vigil Mechanism/Whistle Blower Policy are covered in the Corporate Governance Report.

Environment, Health and Safety

Environmental, Health and Safety is of great importance to your Company. Your Company continuously strives to ensure environment sustainable practices and provides a safe and healthy workplace for its employees.

Prevention of Sexual Harassment at Workplace

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, your Company has an Internal Complaints Committee to address complaints pertaining to sexual harassment in the workplace.

Credit Rating by Infomerics Valuation and Rating Pvt. Ltd.

Your Directors inform that Infomerics Valuation and Rating Pvt. Ltd. had reaffirmed the Credit rating of IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook) rating to the Long Term Bank facilities of your Company.

Compliance with Secretarial Standards

Your Company is in compliance with the relevant provisions of the Secretarial Standard issued by The Institute of Company Secretaries of India and approved by the Central Government.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions in regard to the under-mentioned items during the year under review:

- (a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (b) Issue of sweat equity shares to employees of the Company/
Issue of Employees Stock Option Scheme.

Further, your Company has not accepted any deposits from the public. There were no outstanding balances relating to Fixed Deposits as at the beginning and end of the FY 2020-21.

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

Employees

Your Company believes that 'employees' are the most valuable assets of any organization. Your Directors wish to place on record their deep sense of appreciation for the co-operation, dedication and committed services by all the employees of your Company who plays a pivotal role in the growth of your Company.

Acknowledgement

The Directors wish to place on record their sincere appreciation for the whole-hearted support received from the banks, shareholders and all other associated with your Company. The Board of Directors also thank the employees of your Company for their valuable service and support during the year.

For and on behalf of
The Board of Directors

Place: Kolkata
Date: June 2, 2021

C.K.Dhanuka
Executive Chairman



Annexure A to Board's Report

Annual Report on Corporate Social Responsibility (CSR)

Activities for the FY 2020-21

1. Brief outline on CSR Policy of the Company.

The Company carries out various CSR activities mainly through Dhanuka Dhunseri Foundation (DDF) or through any other implementing agency as the Board decides.

The main objects and purposes of DDF as per the trust deed are in line with Schedule VII of the Companies Act, 2013 read with its rules. The Company as per its CSR policy focus on promoting Education, Healthcare, Women's hostel facilities and Sports.

The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the weblink for the same is provided in this report.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. C.K.Dhanuka	Chairman	3	3
2.	Dr. B.Sen	Member	3	2
3.	Mrs. A.Kanoria	Member	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of the CSR committee shared above and is available on the Company's website on - <http://aspetindia.com/wp-content/uploads/2021/04/Composition-of-various-Committees-of-Board-of-Directors..pdf>

CSR policy- <http://aspetindia.com/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>

CSR projects: <http://aspetindia.com/wp-content/uploads/2021/07/CSR-Projects.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the company as per section 135(5)- ₹4,893.39 lakhs