



# Uniphos Enterprises Limited

**50<sup>th</sup> Annual Report 2018-19**

**BOARD OF DIRECTORS**

Mr. RAJNIKANT DEVIDAS SHROFF <i>Chairman &amp; Managing Director</i>	(DIN: 00180810)
Mrs. SANDRA RAJNIKANT SHROFF <i>Non-Executive Vice Chairman</i>	(DIN: 00189012)
Mr. JAIDEV RAJNIKANT SHROFF <i>Non-Executive Director</i>	(DIN: 00191050)
Mr. ARUN CHANDRASEN ASHAR <i>Independent Director</i>	(DIN: 00192088)
Mr. PRADEEP VEDPRAKASH GOYAL <i>Independent Director</i>	(DIN: 00008370)
Mrs. SWATI SANDESH MAYEKAR <i>Independent Director</i>	(DIN: 00245261)

**COMPANY SECRETARY**

Mr. K. M. THACKER  
(ICSI Membership No. ACS 6843)

**CHIEF FINANCIAL OFFICER**

Mr. B. P. CHHEDA  
(ICAI Membership No. ACA 101820)

**AUDITORS**

B S R & Co. LLP  
*Chartered Accountants*

**BANKERS**

Canara Bank  
Yes Bank Ltd.

**ADMINISTRATIVE OFFICE**

Uniphos House, C.D. Marg,  
11th Road, Madhu Park  
Khar (West), Mumbai- 400 052.  
Tel. : 91-22-2646 8000 Fax : 91-22-2604 1010

**REGISTERED OFFICE**

11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat.  
Pin - 396 195.  
Tel. : 0260-2400717 Fax : 0260-2401823

**SECRETARIAL DEPARTMENT**

Uniphos House, C.D. Marg,  
11th Road, Madhu Park  
Khar (West), Mumbai- 400 052.  
Tel. : 91-22-2646 8009/10 Fax : 91-22-2604 1010

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**50<sup>TH</sup> ANNUAL GENERAL MEETING**

Date : September 20, 2019  
Day : Friday  
Time : 10.00 a.m.  
Place : C/o. UPL LTD.,  
11, G.I.D.C.,  
Vapi, Dist. Valsad,  
Gujarat, Pin - 396 195.

For assistance regarding share transposition, transmission, change of address, duplicate/loss of shares and other related matters, please write to the Registrar & Share Transfer Agents:

**Link Intime India Pvt. Ltd.****Unit : Uniphos Enterprises Limited**

C 101, 247 Park, L B S Marg  
Vikhroli West  
Mumbai 400 083.  
Tel. : 91-22-49186270  
Fax No.: 91-22-49186060  
E-mail id: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in

# Notice

**NOTICE** is hereby given that **50th ANNUAL GENERAL MEETING** of the Members of **UNIPHOS ENTERPRISES LIMITED** will be held on Friday, 20th September, 2019 at 10.00 a. m. at C/o. UPL Ltd., 11, G.I.D.C., Vapi, Dist. Valsad, Gujarat – 396 195, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company comprising of audited Balance Sheet as at 31st March, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajnikant Devidas Shroff (DIN: 00180810), Chairman and Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

3. To consider and re-appoint Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Chairman and Managing Director of the Company and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Chairman and Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, i.e., with effect from 1st April, 2020, and on the terms and conditions as set out in the Statement annexed to the Notice, with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board)

from time to time to alter and vary the terms and conditions of the re-appointment in the best interest of the Company as may be agreed to between the Board and Mr. Rajnikant Devidas Shroff.

**RESOLVED FURTHER THAT** Mr. Rajnikant Devidas Shroff shall not be subject to retirement by rotation during his tenure as the Managing Director of the Company. So long as Mr. Rajnikant Devidas Shroff functions as the Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **To re-appoint Mr. Pradeep Vedprakash Goyal (DIN: 00008370) as an Independent Director of the Company**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pradeep Vedprakash Goyal (DIN: 00008370), and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) years commencing from September 20, 2019 and whose office shall not be liable to retire by rotation."

**5. To re-appoint Mrs. Swati Sandesh Mayekar (DIN: 00245261) as an Independent Woman Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Swati Sandesh Mayekar (DIN: 00245261), and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company be and is hereby re-appointed as an Independent Woman Director of the Company to hold office for a second term of 5 (five) years commencing from September 20, 2019 and whose office shall not be liable to retire by rotation."

**6. To re-appoint Mr. Arun Chandrasen Ashar (DIN: 00192088) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Arun Chandrasen Ashar (DIN: 00192088), and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and

Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) years commencing from September 20, 2019 and whose office shall not be liable to retire by rotation."

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.** The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.  
  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of 50th Annual General Meeting.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- Members/Proxies should bring the valid Attendance Slip duly filled in for attending the meeting. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders will be permitted to attend the meeting. The Company reserves its right to take all steps

- as may be deemed necessary to restrict non-members from attending the meeting.
5. The Members are requested to kindly send all their correspondence relating to the change of address, transmission/ transposition requests of shares, etc. directly to the Company's Registrar & Transfer Agents – Link Intime India Private Ltd., Unit: Uniphos Enterprises Limited, C 101, 247 Park, L B S. Marg, Vikhroli (West), Mumbai 400 083, quoting their Folio Number and in case their shares are held in dematerialized form, the intimation of change of address should be passed on to their respective Depository Participants.
  6. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
  7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year 1994-95 and prior to that which remained unclaimed has been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Members who have not encashed the Dividend Warrants pertaining to the said period may make their claims to the Registrar of Companies, Gujarat at Ahmedabad by submitting an application in prescribed form.
  8. (a) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended, Dividend for the years 1995-96 to 2003-04 which remained unclaimed for a period of seven years from the date of transfer of same to the respective unpaid dividend accounts of the Company have been transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
    - (b) Members may note that unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the web link <https://iepf.gov.in/IEPFA/refund.html> or contact Link Intime India Pvt. Ltd. for lodging claim for refund of dividend from the IEPF Authority.
  9. Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
  10. In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions, if any.
- ## 11. Voting Options
- ### (1) Voting through Electronic Means:
- Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS2) on "General Meetings" issued by the Institutes of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote at the General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the General Meeting ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").
- The Company has approached NSDL for providing remote e-voting services through e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in remote e-voting on resolutions placed by the Company on remote e-Voting system.
- The Notice of the 50th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or link <https://www.uelonline.com>
- The remote e-voting period commences on September 17, 2019 (9:00 a.m.) and ends on**

**September 19, 2019 (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 of 13th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date** i.e. 13th September, 2019.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 20th September, 2019.

The process and manner for remote e-voting are as under:

**A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:**

- (i) Open email and open PDF file viz; "UEL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder - Login
- (iv) Enter user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

- (vii) Select "EVEN" of "Uniphos Enterprises Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [uel.scrutinizer@gmail.com](mailto:uel.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]**

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting.  
**EVEN (Remote e-voting Event Number)  
USER ID PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to (xii) above, to cast vote.

**(2) Voting at AGM:**

The Chairman shall, at the 50th Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility.

Please note the following:

A member may participate in the 50th Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. September 13, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the General Meeting through ballot paper.

The Board of Directors has appointed Mr. Jawahar Thacker, Chartered Accountant (Membership No. FCA 030646), as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman who shall countersign the same. The Chairman / a person authorized by him in writing shall declare the result of the voting forthwith.

The results of voting will be declared and the same along with the Scrutinizer's Report will be published on the website of the Company (<https://www.uelonline.com>) and the website of NSDL ([www.nsd.com](http://www.nsd.com)) immediately after the declaration of results by the Chairman / a person authorized and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the Annual General Meeting.

Other information:

- o Login to remote e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need

to go through 'Forgot Password' option available on the site to reset the same.

- o Your login id and password can be used by you exclusively for remote e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- o Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. September 13, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact the Company's Registrar & Transfer Agents.

However, If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the toll free no.: 1800-222-990.

- o You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the Downloads sections of [https://www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the toll free no.: 1800-222-990.

Mumbai  
17th May, 2019

Registered Office:

11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat,  
Pin- 396 195.

CIN: L24219GJ1969PLC001588

By Order of the Board of Directors  
For **UNIPHOS ENTERPRISES LTD.**

**K. M. THACKER**  
Company Secretary  
(ICSI Membership  
No. ACS-6843)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

The Explanatory Statement for Item Nos. 3 to 6 of the accompanying Notice set out hereinabove is as under:

**Item No. 3:**

The Board of Directors of the Company ("the Board") at its meeting held on 17th May, 2019 has, subject to approval of members of the Company, re-appointed Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Chairman and Managing Director for further period of 5 (Five) years from the expiry of his present term of office, i.e., with effect from 1st April, 2020 on terms and conditions as recommended by the Nomination and Remuneration Committee of the Board at its meeting held on 16th May, 2019 and approved by the Board.

As per the first proviso of Section 196(3)(a) of the Act read with Part-1 of Schedule V provides that no company shall appoint any person as Managing Director, Whole-time Director or Manager who has attained the age of 70 years unless it is approved by the Shareholders as Special Resolution in General Meeting. Mr. Rajnikant Devidas Shroff is over 70 years of age on the date of re-appointment.

It is proposed to seek the approval of the members of the Company for the re-appointment of Mr. Rajnikant Devidas Shroff, in terms of the applicable provisions of the Act.

Mr. Rajnikant Devidas Shroff is a science graduate. He is the Director of the Company since its incorporation. He has extensive experience in the chemical industry and has been closely involved with the Research and Development. Keeping this in view, it would be in the interest of the Company to re-appoint Mr. Rajnikant Devidas Shroff, as Chairman and Managing Director.

The broad particulars of the terms of the re-appointment of Mr. Rajnikant Devidas Shroff during the tenure of his re-appointments are as under.

**A. Tenure of Re-appointment:**

The re-appointment of the Managing Director is for a period of 5 (five) years with effect from April 1, 2020.

**B. Nature of Duties:**

The aforesaid Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made

by the Board, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the Company.

**C. Remuneration:**

Without any remuneration

**D. Other terms of Re-appointment:**

- i) The terms and conditions of the re-appointment of the Managing Director may be altered and varied from time to time by the Board of Directors as it may, in its discretion deem fit, in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.
- ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii) The Managing Director shall adhere to the Company's Code of Conduct.
- iv) The office of the Managing Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

The aforesaid Director satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The disclosures as required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS-2) on "General Meetings", issued by the Council of the Institute of Company Secretaries of India are stated in the table annexed hereto.

Mr. Rajnikant Devidas Shroff is interested in the resolution which pertain to his re-appointment. Further, Mrs. Sandra Rajnikant Shroff and Mr. Jaidev Rajnikant Shroff may also be deemed to be interested in the resolution as they are related to each other. Save and except the above, none of the other Directors / other Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 3 of the Notice.

The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.



**Item Nos. 4 to 6**

The Members of the Company had appointed Mr. Pradeep Vedprakash Goyal (DIN: 00008370), Mrs. Swati Sandesh Mayekar (DIN: 00245261) and Mr. Arun Chandrasen Ashar (DIN: 00192088), as Independent Directors of the Company for 5 (five) consecutive years for a term up to the conclusion of the 50th Annual General Meeting of the Company in the calendar year 2019. The Members may note that pursuant to Section 149(10) of the Companies Act, 2013 ("the Act") an Independent Director shall hold office for a term of up to 5 (five) consecutive years on the Board of a company but shall be eligible for re-appointment for a further term of up to 5 (five) consecutive years on passing of a special resolution by the company.

The Nomination and Remuneration Committee of the Board of Directors ("Board") of the Company, at its meeting held on 16th May, 2019, had unanimously recommended to the Board, the re-appointment of Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar as Independent Directors for another term not exceeding five (5) consecutive years commencing from 20th September, 2019.

The Nomination and Remuneration Committee, while recommending the re-appointment of Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar, had considered various factors, such as, the number meetings of Board, Committees of the Board and General Meetings attended by them, time devoted and their participation at the meetings; their knowledge; skill; expertise; etc., their contributions in attaining Company's objectives; their independent judgment in the opinion of the entire Board.

Based on the recommendation made by the Nomination and Remuneration Committee as above, the Board, at its meeting held on 17th May 2019, has unanimously decided to re-appoint Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar, not liable to retire by rotation, for another term not exceeding 5 (five) consecutive years with effect from 20th September, 2019.

Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar have given their consent to be re-appointed as such and also the confirmation that they are not disqualified to act as Director in terms of Section 164 of the Act. Further, they have also provided confirmation under Section 149(7) of the Act that they meet the criteria of independence as prescribed, both, under Section 149(6) of the Act read with

relevant Rules and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

In the opinion of the Board, Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar, fulfil the conditions specified in Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder read with Schedule IV to the Act and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received notice in writing under the provisions of Section 160 of the Act from Members proposing the candidature of Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar for re-appointment as Independent Directors of the Company.

Copy of the draft letters for respective appointments of Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

**Brief Profile of Mr Pradeep Vedprakash Goyal:**

Mr. Pradeep Goyal is a qualified Engineer with a B. Tech in Metallurgical Engineering at IIT Kanpur in 1978, graduating with the first rank. He has completed Masters in Materials Science & Engineering at Massachusetts Institute of Technology, USA in 1980, with a full scholarship. He has an outstanding management ability in running the business successfully with significant performance as a Team Leader.

In 2006, Mr. Goyal has Established a state-of-the-art research center 'Industrial Microwave Research Center' (IMRC) in Mumbai, which is dedicated to develop microwave based environment friendly technologies for saving energy and to give something better to the society. IMRC is recognized as an "In-house R&D unit" by Govt. of India, Ministry of Science and Technology, Department of Scientific & Industrial Research. Research was initiated in varied fields with an aim to reduce energy consumption and develop clean processes.

**Brief Profile of Mrs. Swati Sandesh Mayekar:**

Mrs. Swati Sandesh Mayekar is a member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and a Law Graduate. She is a Practising Chartered Accountant. She has many years of experience in the field of corporate laws and finance.

**Brief Profile of Mr. Arun Chandrasen Ashar:**

Mr. Arun Chandrasen Ashar is a Chartered Accountant. He was associated with the group in the capacity of consultant prior to his joining of the Board.

Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar are active members of the Board, the Audit Committee and other committees of the Board. The Board is of the view that their continued association will be immensely valuable and beneficial to the Company and it is desirable to continue to avail services of Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar as Independent Directors.

The disclosures as required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS-2) on "General Meetings", issued by the Council of the Institute of Company Secretaries of India are stated in the table annexed hereto.

Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar are interested in the resolutions set out respectively at Item Nos. 4 to 6 of the Notice with regard to their respective re-appointments.

The relatives of Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 to 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item Nos. 4 to 6 of the Notice for approval by the shareholders.

Mumbai  
17th May, 2019

Registered Office:

11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat,  
Pin- 396 195.  
CIN: L24219GJ1969PLC001588

By Order of the Board of Directors  
For **UNIPHOS ENTERPRISES LTD.**

**K. M. THACKER**  
Company Secretary  
(ICSI Membership  
No. ACS-6843)

**ANNEXURE****ADDITIONAL INFORMATION OF THE ABOVE DIRECTORS PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE COUNCIL OF THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (INFORMATION AS ON THE DATE OF THIS NOTICE)**

Name of the Director	Mr. Rajnikant Devidas Shroff (DIN: 00180810)	Mr. Pradeep Vedprakash Goyal (DIN: 00008370)	Mrs. Swati S. Mayekar (DIN: 00245261)	Mr. Arun Chandrasen Ashar (DIN: 00192088)
Date of Birth	20th October, 1933	22nd November, 1955	14th March, 1957	29th July, 1948
Qualification(s)	B.SC., DIPLOMA-INDUSTRIAL ENGINEERING,NITIE, SCMP,BUSINESS MGMT, HARVARD	Metallurgy Engineer from IIT and Master Graduate from MIT, USA.	Chartered Accountant, Company Secretary and L.L.B.	Chartered Accountant
Date of First Appointment (appointment as an additional director on the Board)	29th May, 1969	29th March, 2001	28th January, 2010	28th February, 1992
Date of Last Re-appointment	30th September, 2015	26th September, 2014	26th September, 2014	26th September, 2014
Expertise in specific functional areas	He has extensive experience in the chemical industry and has been closely involved with the Research and Development of all the Group's products. His technical expertise was instrumental in the Company winning the Government's Gold Shield Award. He has held various important positions in commercial, educational and social fields.	Metallurgy and Engineering Industry	Corporate Laws and Finance	Corporate Laws and Finance
Shares held in the Company as on the date of the Notice	Nil	Nil	3014	985000
Relationship between other Directors inter-se	Spouse of Mrs. Sandra Rajnikant Shroff and father of Mr. Jaidev Rajnikant Shroff	Not related to any Director	Not related to any Director	Not related to any Director
Directorships held in other listed companies* excluding foreign companies  *Only equity listed companies are considered (Based on disclosures received from the Director)	1. UPL Limited 2. Nivi Trading Limited	1. Pradeep Metals Limited 2. UPL Limited 3. Hind Rectifiers Ltd.	FDC Limited	UPL Ltd.

Name of the Director	Mr. Rajnikant Devidas Shroff (DIN: 00180810)	Mr. Pradeep Vedprakash Goyal (DIN: 00008370)	Mrs. Swati S. Mayekar (DIN: 00245261)	Mr. Arun Chandrasen Ashar (DIN: 00192088)
Memberships of Committees in other listed companies* (*Only Audit Committee and Stakeholders' Relationship Committee memberships in equity listed companies have been considered)	Nivi Trading Limited- Member-Audit Committee	1. UPL Ltd., Member– Audit Committee and Stakeholders Relationship Committee  2. Hind Rectifiers Ltd., Member – Audit Committee and Stakeholders Relationship Committee	FDC Limited-Chairman Audit Committee.	UPL Ltd., Member– Stakeholders Relationship Committee
Remuneration last drawn for the financial year ended 31st March, 2019 (including sitting fees)	Nil	70,000 (Being sitting fees)	70,000 (Being sitting fees)	Nil
Terms and conditions of appointment	Re-appointment as Chairman and Managing Director of the Company to hold office for a further term of 5 (five) years commencing from April 1, 2020, without payment of any remuneration and whose office shall not be liable to retire by rotation.	Re-appointment as Non-Executive Independent Director of the Company to hold office for a second term of 5 (five) years commencing from September 20, 2019 and whose office shall not be liable to retire by rotation. He is entitled to sitting fees, if any.	Re-appointment as Non-Executive Independent Woman Director of the Company to hold office for a second term of 5 (five) years commencing from September 20, 2019 and whose office shall not be liable to retire by rotation. She is entitled to sitting fees, if any.	Re-appointment as Non-Executive Independent Director of the Company to hold office for a second term of 5 (five) years commencing from September 20, 2019 and whose office shall not be liable to retire by rotation.

# Directors' Report

TO,

THE MEMBERS OF

## UNIPHOS ENTERPRISES LIMITED

Your Directors have pleasure in presenting their report and audited accounts for the year ended 31st March, 2019.

### FINANCIAL RESULTS

(₹ in lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit/(Loss) before taxation	2118.46	1803.80
Less: Provision for taxation	42.00	35.00
Profit/(Loss) after taxation	2076.46	1768.80
Add: Balance brought forward	5683.39	3914.59
Balance carried forward	7759.85	5683.39

### OPERATIONAL PERFORMANCE

During the year, there were no sales. Other income was ₹ 2403.49 lakhs as compared to ₹ 2003.43 lakhs in the previous year.

The Company has earned profit of ₹ 2076.46 lakhs after tax as compared to profit of ₹ 1768.80 lakhs in the previous year.

### FUTURE OUTLOOK

The Company continues to look at new opportunities of trading in chemicals in India and abroad.

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms an integral part of this Report.

### DIVIDEND

Your Directors do not recommend any dividend for the year under review.

### TRANSFER TO RESERVES

No amount is appropriated from Profit and Loss Account and transferred to any Reserve Account. An amount of ₹ 7759.85 lakhs is proposed to be retained in the statement of Profit and Loss.

### SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was ₹1390.92 lakhs.

### i) Issue of Equity Shares with differential voting rights, Sweat Equity shares and Employee Stock Options

During the year under review, the Company has not issued any shares with differential voting rights, Sweat Equity shares and Employee Stock Options- (ESOS).

### ii) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to the Financial Statements. The details of loan given are provided in the notes to Financial Statements. There are no guarantees issued by the Company.

### AUDITORS AND AUDITORS' REPORT

#### a) Statutory Auditors

At the 48th Annual General Meeting of the Company held on 8th July, 2017, the Members of the Company have approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 101248W/W-100022) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 for a term of 5 (five) years from the Company's financial year 2017-18, to hold office from the conclusion of 48th Annual General Meeting of the Company.

The report of the Statutory Auditors along with the Notes to Financial Statements forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation or adverse remark.

#### b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. N. L. Bhatia & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as 'Annexure [1] to Board's Report'. The secretarial auditors' report does not contain any qualification, reservation or adverse remark.

**DIRECTORS**

In accordance with the Provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajnikant Devidas Shroff (DIN: 00180810), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

The earlier appointment of Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Managing Director of the Company expired on 31st March, 2020. The Board of Directors has re-appointed Mr. Rajnikant Devidas Shroff as Managing Director for a further period of 5 (five) years, with effect from April 1, 2020, without payment of any remuneration and subject to the approval of the Members and upon the terms and conditions as set out in the notice convening the 50th Annual General Meeting of the Company.

The earlier appointments of Mr. Pradeep Vedprakash Goyal (DIN: 00008370), Mrs. Swati Sandesh Mayekar (DIN: 00245261) and Mr. Arun Chandrasen Ashar (DIN: 00192088), the Independent Directors of the Company expire on the conclusion of forthcoming 50th Annual General Meeting of the members of the Company to be held on Friday, 20th September, 2019. The Board of Directors has re-appointed Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar, Independent Directors for further period of 5 (five) years, with effect from 20th September, 2019, subject to the approval of the Members by Special Resolutions and upon the terms and conditions as set out in the notice convening the 50th Annual General Meeting of the Company.

The resolutions seeking approval of the Members for the re-appointment of Mr. Rajnikant Devidas Shroff, Mr. Pradeep Vedprakash Goyal, Mrs. Swati Sandesh Mayekar and Mr. Arun Chandrasen Ashar have been incorporated in the notice convening the 50th Annual General Meeting of the Company along with brief details about them.

The information of Directors seeking re-appointment as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the notice convening the 50th Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of the familiarization programme of the independent directors are available on the website of the Company <https://www.uelonline.com/investors>

None of the Directors of the Company has incurred any disqualification.

Pursuant to the provisions of the Companies Act, 2013, and Regulations 17(10) and 25(4)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation was carried out of the performance of the Board, various Board Committees and the directors individually. Various parameters were considered for evaluation and after receiving the inputs from the Directors, the performance evaluation exercise was carried out. The parameters included integrity, credibility, expertise and trustworthiness of directors, Board's monitoring of various compliances, laying down and effective implementation of various policies, level of engagement and contribution of the directors, safeguarding the interest of all stakeholders etc.

During the year under review, all the Independent Directors met on 31st January, 2019 to discuss evaluation of the performance of Non Independent Directors and the Board of Directors as a whole, evaluation of the performance of Chairman of the Company, taking into account the views of the Directors and evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The performance of evaluation of each Independent Director was carried out by the Board. The Directors expressed their satisfaction with the evaluation process.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of these Directors for the office of Directors of the Company.

**REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted the policy for selection and appointment of Directors, Senior management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report which forms part of this Report. The policy lays down criteria for selection of directors and senior management such as expertise, experience and integrity of the directors, independent nature of the directors, personal and professional standing, diversity of the Board, etc. At present no Director of the Company receives any remuneration from the Company except payment of sitting fees to some of the Independent Directors for attending the Board and Committee meetings. The Senior management employees are working for the Company on deputation basis.

**FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

Pursuant to the Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has

worked out a Familiarization programme for the Independent Directors, with a view to familiarize them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc.

Through the Familiarization programme, the Company apprises the independent directors about the financial performance, internal control system, statutory compliances and corporate governance practices.

At the time of appointment of independent director, a formal letter of appointment is given which explains role, responsibility and rights in the Company.

Details of Familiarization programme of Independent Directors with the Company are available on the website of the Company <https://www.uelonline.com/investors>.

#### **NUMBER OF MEETINGS OF THE BOARD, AUDIT COMMITTEE AND OTHER COMMITTEES OF THE BOARD**

The details of the number of meetings of the Board, Audit Committee and other committees of the Board of the Company are set out in the Corporate Governance Report which forms part of this Report.

#### **COMPOSITION OF AUDIT COMMITTEE**

Pursuant to the provisions of section 177 of the Companies Act, 2013, the Company has constituted an Audit Committee consist of three Independent Directors. The details of the composition of the Audit Committee is provided in the Corporate Governance Report which forms part of this Report. There are no recommendation of the Audit Committee which are not accepted by the Board.

#### **KEY MANAGERIAL PERSONNEL**

Mr. Rajnikant Devidas Shroff (DIN 00180810), Chairman and Managing Director, Mr. K. M. Thacker (ICSI Membership No. ACS 6843), Company Secretary and Mr. Bipin P. Chheda, Chief Financial Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

As none of the Directors of your Company receives remuneration from the Company and the Senior management employees are working for the Company on deputation basis, the information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, in respect of Directors/ employees of your Company is not given.

The Company has no employee who- (i) if employed throughout the financial year, was in receipt of remuneration, in aggregate, more than ₹ one crore and two lakh, or (ii) if employed for a part of the financial year, was in receipt of remuneration, in aggregate, more than ₹ eight lakh and fifty thousand per month. Hence, the information required to be given pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is not applicable and hence not attached.

#### **RELATED PARTY TRANSACTIONS**

All Related Party Transactions entered into during the year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are approved by the Audit Committee. Prior omnibus approval is obtained from the Audit Committee in respect of the transactions which are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed on a quarterly basis by the audit committee.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The same can be accessed on <https://www.uelonline.com/investors>

Since there were no materially significant related party transactions entered into during the year, the Form AOC- 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not attached to this Report.

#### **VIGIL MECHANISM / WHISTLEBLOWER POLICY**

The Company has formed whistleblower policy to deal with any fraud, irregularity or mismanagement in the Company. The policy enables any employee or director to directly communicate to the Chairman of the Audit Committee to report any fraud, irregularity or mismanagement in the Company. The policy ensures strict confidentiality while dealing with concerns and also that no discrimination or victimization is meted out to any whistleblower. The policy is also posted on the website of the Company <https://www.uelonline.com/investors>

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an internal control system, commensurate with the size, scale and complexity of its operation. The Group has an inhouse internal audit team headed by a qualified professional, which undertakes internal audit and ensures that all transactions are authorized and recorded in the books of the Company. The internal audit department monitors the efficacy and adequacy of internal control. Significant audit observations, if any, are presented to the Audit Committee and action taken to correct any deficiency is informed to them. The report prepared by internal

audit team forms the basis of utilization by the Managing Director and Chief Financial Officer for financial reporting as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Internal Controls over Financial Reporting:

The Company has adequate internal financial controls in place, commensurate with the size, scale and complexity of its operations.

The Company is complying with all the applicable Accounting Standards. The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

#### RISK MANAGEMENT FRAMEWORK

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has prepared Risk Management Framework for identifying and evaluating various major business risks faced by the Company. Risk Management Framework aims to lay down the procedure for risk assessment and risk minimization. Risk Management Framework is prepared to ensure internal controls and effectively respond to any changes in the business environment so as to achieve high degree of business performance, limit any negative impact on its working and avail of benefits arising out of any business opportunities. There are standard practices in place to ensure that strong financial controls are in place.

The audit committee has additional oversight in the area of financial risks and controls.

Key business risks perceived by the Company and mitigating initiatives are as under:

- Funding risk: As there are no much activities in the Company, the Company may not be able to mobilize adequate funds, if any, in time. The mitigating factors are that the Company has good investment in the quoted shares, so raising additional funds, if any, will not be difficult for the Company.
- Regulatory risk: Any change in Government / Regulators Policy / Rules / Regulations will require fresh compliances. The mitigating factors are that the group has very strong and dedicated team consisting of professionals to study regulatory changes and fresh requirement.
- Foreign currency fluctuation risk: – The Company is engaged in the trading activities, which may subject to risk of less profit / loss on account of volatility in foreign currency exchange. The mitigating factors are that the management ensures to enters in trading transactions in such a way that there are minimal risks of volatility in foreign currency exchange or the Company may take adequate forward cover for foreign exchange fluctuations.

#### REPORTING OF FRAUD:

The Auditors of the Company have not reported any fraud as specified under section 143 (12) of the Companies Act, 2013.

#### DEPOSITORY SYSTEM

99.19 % of the total paid up equity shares of the Company are dematerialized as on 31st March, 2019.

#### INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under sections 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year 31st March, 2019 is furnished here below.

- I. CONSERVATION OF ENERGY – Not Applicable
- II. TECHNOLOGY ABSORPTION – Not Applicable
- III. FOREIGN EXCHANGE EARNING AND OUTGO

₹ in Lakhs.

(a) Foreign Exchange earned	-
(b) Foreign Exchange outgo	3.61

#### DIRECTORS RESPONSIBILITY

To the best of their knowledge and belief and according to the information and explanations obtained by them, the directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) That such accounting policies as mentioned in Note 2.1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the annual financial statements have been prepared on a going concern basis.
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.



- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### CORPORATE GOVERNANCE

Your Company and its Board has been complying with Corporate Governance to the extent set out in this respect as a separate report, in pursuance of requirement of para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. A Certificate from Auditors regarding compliance of the conditions of Corporate Governance as stipulated under para E of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached and forms integral part of this Report.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, issued by the Institute of Companies Secretaries of India, relating to "Meetings of the Board of Directors" and "General Meetings" respectively, have been duly followed by the Company.

### DEALING WITH SECURITIES WHICH HAVE REMAINED UNCLAIMED

Members are hereby informed that as per Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is in the process of sending reminders to those Members whose share certificates have remained unclaimed, to contact the Company immediately in the matter. The Registrar and Transfer Agent M/s. Link Intime India Pvt. Ltd. is in the process of compiling the data for unclaimed shares. The Company, now after following the prescribed procedure will dematerialize unclaimed shares which are retained with the Company. These shares would be held by the Company on behalf of the holders of such shares in an "Unclaimed Suspense Account" to be opened with a depository. At the end of seven years, hereof, these shares shall be transferred by the Company to the IEPF.

Members may note that the lawful claimant in respect of these shares will be able to claim such shares from the Company till such time they remain in the unclaimed suspense account as aforesaid.

### EXTRACT OF ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013 a copy of Annual Return has been placed on the website of the Company and the web link of such Annual Return is <https://www.uelonline.com/investors>.

### LISTING OF THE COMPANY'S EQUITY SHARES / GDR

The Equity Shares of your Company continue to be listed at the BSE Ltd. and National Stock Exchange of India Ltd. The GDR

continue to be listed at the Luxembourg Stock Exchange. There is no default in paying annual listing fees.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

### EVENTS AFTER BALANCE SHEET DATE

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this Report.

### GENERAL

No disclosure or reporting is required in respect of the following points as there were no transactions on these items or were not applicable to your Company during the year under review.

- The Company has no subsidiary as on 31st March, 2019;
- The Company has not accepted any deposits from public.
- Details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year.
- Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### ACKNOWLEDGEMENT

Your Directors are thankful to all the stakeholders and various government agencies and ministries for their continued support.

### CAUTIONARY STATEMENT

Statements in the Director's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: changes in government policies and tax laws, economic development of the country and other factors which are material to the business operations of the Company.

Mumbai  
17th May, 2019

By Order of the Board of Directors  
For **UNIPHOS ENTERPRISES LIMITED**

Registered Office:

11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat,  
Pin- 396 195.

CIN: L24219GJ1969PLC001588

**Rajnikant Devidas Shroff**  
Chairman & Managing Director  
(DIN: 00180810)

**Annexure [1] to Board's Report****SECRETARIAL AUDIT REPORT****FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members,

Uniphos Enterprises Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Uniphos Enterprises Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- 4) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, **Not Applicable**.
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, **Not Applicable**.
  - e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement), 2015.
- 5) Other Laws applicable to the Company;
  - a) Payment of Bonus Act, 1965, & Rules, 1965
  - b) Employees PF & Miscellaneous Provisions Act, 1952
  - c) Indian Contract Act, 1872
  - d) Payment of Gratuity Act, 1972
  - e) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - f) The States Shops and Establishments Act.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. **All the decisions have been taken unanimously and with requisite majority/ unanimously in the General Meetings and there were no dissent recorded.**

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

**We further report that** during the audit period, no specific event has taken place which has major bearing on the Company's affairs.

Date : 17<sup>th</sup> May, 2019

Place : Mumbai

**For M/s N L Bhatia & Associates  
Practising Company Secretaries  
UIN: P1996MH055800**

**N. L. Bhatia  
Managing Partner**

FCS: 1176

CP. No. 422

To,  
The Members  
Uniphos Enterprises Limited  
Our report of even date is to be read along with this letter.  
Maintenance of Secretarial record is the responsibility of the management of the company.  
Our responsibility is to express an opinion on these secretarial records based on our audit.  
We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices , we followed provide a reasonable basis for our opinion  
We have not verified the correctness and appropriate of financial records and Books of Accounts of the company.  
Where ever require we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.  
The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.  
The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 17<sup>th</sup> May, 2019  
Place: Mumbai

**For M/s N L Bhatia & Associates  
Practising Company Secretaries  
UIN: P1996MH055800**

**N. L. Bhatia  
Managing Partner**  
FCS: 1176  
CP. No. 422

# Corporate Governance

## 1. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance relates to providing maximum service to all its stakeholders. It intends to enhance shareholder value by undertaking the best possible Corporate Governance practices. A high standard of Corporate Governance is maintained by being transparent, accountable and being in continuous interaction with shareholders, employees, lending institutions, banks, governmental agencies and all the dealers.

The Company is conscious of the fact that the management and the employees need to work ethically to achieve success.

## 2. Board of Directors

The Board of Directors consists of 6 Directors.

During the year, four Board Meetings were held on 27th April, 2018, 31st July, 2018, 26th October, 2018 and 31st January, 2019.

**Composition and other details of Directors are as follows:**

Name of the Director	Category	Attendance Particulars		No. of other directorships and Committee memberships/ chairmanships*			No. of Shares and Convertible Instruments held by non-executive directors
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships	
Mr. Rajnikant. Devidas Shroff \$ DIN: 00180810	Promoter and Chairman and Managing Director	4	Present	8	1	-	N.A.
Mrs. Sandra Rajnikant Shroff \$ DIN: 00189012	Promoter and Non-Executive Vice Chairman	2	Present	7	1	-	Nil
Mr. Jaidev Rajnikant Shroff \$ DIN: 00191050	Promoter and Non-Executive Director	2	Present	3	-	-	Nil
Mr. Arun Chandrasen Ashar DIN: 00192088	Independent and Non-Executive Director	3	Present	7	3	1	9,85,000
Mr. Pradeep Vedprakash Goyal DIN: 00008370	Independent and Non-Executive Director	4	Absent	3	3	1	Nil
Mrs. Swati Sandesh Mayekar DIN: 00245261	Independent and Non-Executive Director	4	Absent	1	-	1	3,014

Notes: \* Excludes Directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

\$ Mr. Rajnikant Devidas Shroff and Mrs. Sandra. Rajnikant Shroff are spouse of each other and father and mother respectively of Mr. Jaidev Rajnikant Shroff. Mr. Jaidev Rajnikant Shroff is son of Mr. Rajnikant Devidas Shroff and Mrs. Sandra Rajnikant Shroff.

The details of familiarization programmes imparted to Independent Directors have been disclosed on the Company's website [www.uelonline.com](http://www.uelonline.com)

### 3. Audit Committee

#### Terms of reference:

The terms of reference of Audit Committee are as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The broad terms of reference of Audit Committee as adopted by the Board are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall also mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (b) Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of the Company has constituted an Audit Committee, comprising three Independent and Non-Executive Directors. Four meetings of the Audit Committee were held on 28th April, 2018, 31st July, 2018, 26th October, 2018, and 31st January, 2019.

**Composition of members of Audit Committee is as follows:**

<b>Composition</b>	Mr. Pradeep Vedprakash Goyal Chairman	Mr. Arun Chandrasen Ashar	Mrs. Swati Sandesh Mayekar
Meetings attended during the year	4	3	4

The constitution of Audit Committee also meets the requirements under Section 177 of the Companies Act, 2013. All the members of Audit Committee are financially literate and Mr. Pradeep Vedprakash Goyal who has accounting and financial management expertise has been nominated as the Chairman of the Audit Committee.

The role and terms of reference stipulated by the Board to the Audit Committee covers areas specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 besides other terms as may be referred by the Board of Directors.

Mr. K. M. Thacker, Company Secretary acts as the Secretary to the Audit Committee.

**4. Nomination and Remuneration Committee**

**Terms of reference:**

The broad terms of reference of Nomination and Remuneration Committee of the Company are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on diversity of Board of Directors;
4. Identifying qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the terms of appointment of Independent directors, on the basis of report of performance evaluation of Independent Directors.

The Board of the Company has constituted a Nomination and Remuneration Committee, comprising three Independent and Non-Executive Directors viz. Mr. Pradeep Vedprakash Goyal, Chairman, Mr. Arun Chandrasen Ashar and Mrs. Swati Sandesh Mayekar.

No meeting of the Nomination and Remuneration Committee was held during the year.

**Performance evaluation criteria for independent director:**

Qualifications, meeting the independence criteria, observing ethical standards, integrity, exercise of responsibilities, safeguarding interest of all stakeholders, skills and knowledge updation, adhering to Company's Code of conduct, regular attendance and active participation at the meetings of the Company, maintaining confidentiality, transparency, assistance in implementing best corporate governance practices and absence of conflict of interest with business of the Company.

**5. Remuneration of Directors:**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management such as expertise, experience and integrity of the Directors, independent nature of the Directors, personal and professional standing, diversity of the Board, etc. The remuneration policy lays down the entitlements of remuneration to Non-Executive Directors such as sitting fees, commission, if any, and other reimbursement. Remuneration, if any, to the Managing Director and other Executive Directors will consist of monthly salary, allowances, perquisites, bonus, commission and other retiral benefits. In respect of senior management, the remuneration will be based on the performance, working of the Company, targets achieved, KPI, industry benchmark and current compensation trends in the industry.

**Details of the remuneration to all the Directors for the year:**

No Director was paid salary and/or perquisites for the year ended 31st March, 2019.

The Company has paid the sitting fees for the year ended 31st March, 2019 to two Independent and Non-Executive Directors for attending Board Meetings, Audit Committee Meetings and Stakeholders Relationship Committee Meeting as follows:

Mr. Pradeep Vedprakash Goyal ₹ 70,000/- and Mrs. Swati Sandesh Mayekar ₹ 70,000/-.

The appointment of executive director is for a period of five years. The service agreement provides for a notice period of six months on either side. The Managing Director is appointed without any payment of remuneration.

**6. Stakeholders Relationship Committee**

The Board of the Company has constituted a Stakeholders Relationship Committee, comprising three Independent and Non-Executive Directors to look into the redressal of grievances of security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. One meeting of the Stakeholders Relationship Committee was held on 31st January, 2019.

**Composition of members of Stakeholders Relationship Committee is as follows:**

Composition	Mr. Pradeep Vedprakash Goyal Chairman	Mr. Arun Chandrasen Ashar	Mrs. Swati Sandesh Mayekar
Meeting attended during the year	1	1	1

**Compliance Officer:**

Mr. K. M. Thacker – Company Secretary

The Company also has its separate shares transfer committee consisting of Mrs. Sandra Rajnikant Shroff and Mr. Arun Chandrasen Ashar, Directors and two other senior executives. This committee normally meets weekly to approve transfer of shares, issue of duplicate certificates, redressal of Stakeholders Grievances, among others. Share certificates submitted for dematerialization and request for dematerialization were also approved by the committee.

The total numbers of complaints received during the year under review were nine out of which eight complaints were addressed to the satisfaction of shareholders on or before 31st March, 2019 and one complaint was pending as on or before 31st March, 2019.

Three requests for transfers were pending for approval as on 31st March, 2019, out of which two were processed under objections on or before 23rd April, 2019 and one was approved and dealt with on 8th April, 2019.



## 7. General Body Meetings

### (A) Annual General Meetings:

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2015-16	47th AGM	11, G. I. D. C., Vapi, Dist. Valsad, Gujarat-396 195.	29/06/2016	9.00 a.m.
2016-17	48th AGM	11, G. I. D. C., Vapi, Dist. Valsad, Gujarat-396 195.	08/07/2017	9.00 a.m.
2017-18	49th AGM	Hotel Green View Hall, National Highway No. 8, Vapi, Dist. Valsad, Gujarat-396 195.	23/08/2018	10.00 a.m.

The following special resolutions were passed by the members during the last three Annual General Meetings:

2015-16

- No special resolution was passed at the 47th Annual General Meeting.

2016-17

- No special resolution was passed at the 48th Annual General Meeting.

2017-18

- One special resolution was passed to pursuant to Section 186, according consent of the Company to the Board of Directors of the Company to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of Company's paid up capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account.

The following special resolutions were passed by the members at the Extra-Ordinary General Meeting of the members of the Company held on 22nd March, 2019.

- Continuation of Directorship by Mrs. Sandra Rajnikant Shroff (DIN: 00189012) as Non-Executive Director of the Company, liable to retire by rotation.
- Approval, pursuant to section 185 of the Companies Act, 2013, of loans, Guarantee or Securities in connection with any loan taken by any person in whom any Director of the Company is interested.

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of voting pattern

2018-19

- No resolution, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, was passed through Postal Ballot during the year.
- None of the resolutions, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, are proposed to be passed in the ensuing Annual General Meeting which require passing a special resolution through Postal Ballot.

## 8. Means of communication

The quarterly and annual results are published by the Company in the English and Gujarati editions of the The Financial Express/Western Times and are also displayed on the corporate website, [www.uelonline.com](http://www.uelonline.com). The Company's website also contains a separate dedicated section called 'Investors' wherein shareholder related information like the Annual Report of the Company, shareholding pattern among others, are available. Official news releases are sent to the Stock Exchanges at BSE Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed. During the year, no presentations were made to analysts or Institutional Investors.

The Management Discussion and Analysis (MD&A) forms a part of the annual report.

**9. General Shareholder Information****9.1. Annual General Meeting**

- Date : 20th September, 2019 at 10.00 a.m.  
- Venue : C/o. UPL Ltd., 11, G.I.D.C.,  
Vapi, Dist. Valsad, Gujarat, Pin- 396 195.

**9.2. Financial calendar**

- : **Annual General Meeting –**  
20th September, 2019  
Results for quarter ending June 30th,  
2019 - **On or before 14th August, 2019**  
Results for quarter ending September 30th,  
2019 - **On or before 14th November, 2019**  
Results for quarter ending December 31st,  
2019 - **On or before 14th February, 2020**  
Results for quarter/ year ending March 31st,  
2020 - **Last week of April, 2020/May 2020.**

**9.3. Dividend payment date** : Not Applicable**9.4. (a) Listing of Equity Shares on: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400 001 and  
Stock Exchanges at National Stock Exchange of India Ltd. Exchange Plaza, C/1, Block G, Bandra Kurla  
Complex, Bandra (East), MUMBAI 400 051****(b) Listing of GDR on the Stock : Luxembourg Stock Exchange  
Exchange at**

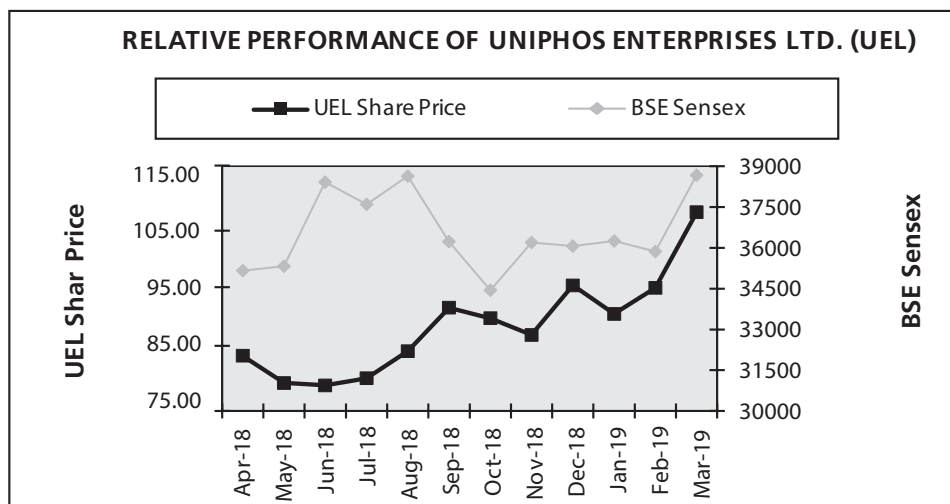
The Company has paid the Annual Listing Fee to each of the Stock Exchanges.

**9.5. a) Security code/Symbol : BSE Ltd. : 500429  
National Stock Exchange of India Ltd. : UNIENTER****b) ISIN Number : in NSDL & CDSL: INE037A01022  
for Equity Shares****9.6. Stock Market Data**

MONTH	BSE Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High Price (In ₹)	Month's Low Price (In ₹)	Month's High Price (In ₹)	Month's Low Price (In ₹)
April, 2018	95.00	81.50	91.35	79.20
May, 2018	89.00	78.00	87.25	77.10
June, 2018	82.95	75.00	83.20	75.00
July, 2018	87.80	74.00	88.75	73.90
August, 2018	91.00	77.75	88.70	78.05
September, 2018	131.60	81.20	132.25	81.10
October, 2018	96.75	84.20	96.75	86.25
November, 2018	99.00	88.00	98.75	85.70
December, 2018	110.00	85.10	109.40	88.15
January, 2019	111.30	84.00	109.05	82.20
February, 2019	100.30	88.15	100.00	88.00
March, 2019	118.00	96.50	116.70	94.65

### 9.7. Share price performance in comparison to broad-based indices – BSE Sensex.

UEL closing share price performance relative to BSE Sensex based on share price during the year.



### 9.8. Registrar and Transfer Agents :

(Share transfer and communication regarding share certificate, dividends and change of address).

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the Secretarial Department of the Company:

Link Intime India Pvt. Ltd.  
Unit : Uniphos Enterprises Limited  
C-101, 247, Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

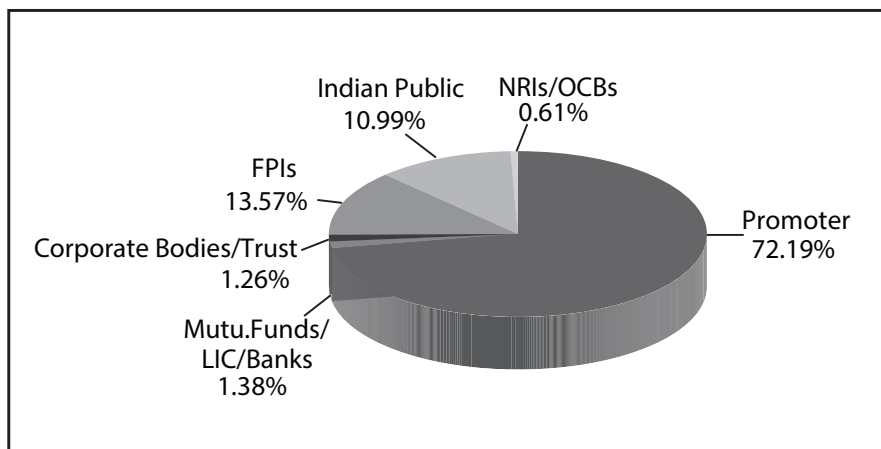
Uniphos Enterprises Limited  
Secretarial Department  
Uniphos House,  
C. D. Marg, 11th Road,  
Madhu Park, Khar (West),  
Mumbai 400 052

### 9.9. Share Transfer System

: Presently, the share transfers which are received in the physical form are processed and the share certificates returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects

### 9.10. Distribution of shareholdings as on 31st March, 2019:

Shareholding of Nominal Value of (₹)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (₹)	% of Total Amt.
1 – 1,000	9879	81.87	3040170	2.19
1,001 – 2,000	1198	9.93	1781366	1.28
2,001 – 4,000	487	4.03	1467452	1.06
4,001 – 6,000	148	1.23	742196	0.53
6,001 – 8,000	68	0.56	489866	0.35
8,001 – 10,000	63	0.52	594194	0.43
10,001 – 20,000	111	0.92	1630040	1.17
20,001 and above	113	0.94	129346414	92.99
<b>Total</b>	<b>12067</b>	<b>100</b>	<b>139091698</b>	<b>100</b>

**9.11. Shareholding pattern as on 31st March, 2019:**

- 9.12. Dematerialisation of shares** : 99.19% of the outstanding equity shares have been dematerialised up to 31st March, 2019. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 17th January, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

**Liquidity:**

Relevant data for the **average daily turnover** for the financial year 2018 – 2019 is given below:

	BSE Ltd.	National Stock Exchange of India Ltd.	BSE+NSE
	(BSE)	(NSE)	
<b>In number of shares</b>	4,920	17,983	<b>22,903</b>

(Source: This information is compiled from the data available from the websites of BSE and NSE)

- 9.13. Outstanding GDR/Warrants and their conversion dates and their likely impact on the equity** : Outstanding GDRs as on 31st March, 2019 represent 26962 shares (0.04%). There are no further outstanding instruments, which are convertible into equity in the future.
- 9.14. Commodity price risk or Foreign Exchange Risk and Hedging activities** : Not Applicable
- 9.15. Plant locations** : The Company has no manufacturing unit.
- 9.16. Address for Correspondence**
- (i) Investor correspondence** : **For Shares held in Physical Form**  
Link Intime India Pvt. Ltd.  
Unit: Uniphos Enterprises Limited  
C-101, 247, Park, LBS Marg,  
Vikhroli (West), Mumbai 400 083.  
Telephone No(s): 91-22-49186270  
Fax No.: 91-22-49186060  
E-mail id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company:

Uniphos Enterprises Limited  
Secretarial Department  
Uniphos House,  
C. D. Marg, 11th Road,  
Madhu Park  
Khar (West), Mumbai 400 052.  
Telephone No.: 91-22-26468009/10

**For Shares held in Demat form**

To the Depository Participant(s)

- (ii) **Any query on Annual Report** : Mr. K. M. Thacker, Company Secretary  
Uniphos Enterprises Limited  
Secretarial Department  
Uniphos House, C. D. Marg,  
Madhu Park, Khar (West), Mumbai 400 052.  
E-mail : thackerkm@uniphos.com
- (iii) **Exclusive e-mail ID of the grievance redressal division** : uel.investors@uniphos.com
- (iv) **Corporate website** : www.uelonline.com

**10. Other Disclosures:**

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.**

During the year, the Company had no materially significant related party transactions, which were considered to have potential conflict with the interests of the Company at large.

**(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

None.

**(c) Details of establishment of vigil mechanism, whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee.**

The Company has devised an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to communicate their concerns about illegal or unethical practices freely. The Company has also established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy and placed on the website of the Company www.uelonline.com and no personnel has been denied access to the audit committee.

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.**

**Mandatory Requirements**

The Company has complied with the mandatory requirements of para C(10)(d) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**(e) Policy on dealing with related party transaction has been disclosed on the Company's website www.uelonline.com.**

**11. There are no non-compliance of any requirements of Corporate Governance Report of sub-paras (2) to (10) above.**

**12. Discretionary Requirements as specified in Part E of Schedule II**

**A. Chairman of the Board**

The Chairman of the Board is Executive.

**B. Shareholder Rights – Half yearly results**

As the Company's half yearly results are published in English newspapers circulated all over India and in a Gujarati newspaper (circulated in Gujarat) and also posted on the website of the Company www.uelonline.com, the same are not sent to the households of the shareholders of the Company.

**C. Modified opinion in audit report**

There are no modified opinion contained in the Audit Report.

**D. Separate Posts of Chairman and Chief Executive Officer**

The Posts of Chairman and Managing Director are not separate.

**E. Reporting of Internal Auditors**

The Internal Auditors of the Company report directly to the Audit Committee.

**13. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

On behalf of the Board of Directors

Mumbai,  
17th May, 2019

**Rajnikant Devidas Shroff**  
(Chairman and Managing Director)  
(DIN : 00180810)

## DECLARATION

As provided under Clause D of Schedule V pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the year ended 31st March, 2019.

On behalf of the Board of Directors of  
Uniphos Enterprises Limited

Mumbai,  
17th May, 2019

**Rajnikant Devidas Shroff**  
(Chairman and Managing Director)  
(DIN : 00180810)

## COMPLIANCE CERTIFICATE

### Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Rajnikant Devidas Shroff, Chairman and Managing Director and B. P. Chheda, Chief Financial Officer do hereby certify that in respect of annual accounts and cash flow statement for the year 2018-2019.

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**RAJNIKANT DEVIDAS SHROFF**  
**CHAIRMAN AND MANAGING DIRECTOR**  
(DIN : 00180810)

**B. P. CHHEDA**  
**CHIEF FINANCIAL OFFICER**

## Auditors' certificate on Corporate Governance

To,

The Members of Uniphos Enterprises Limited  
Uniphos House, C.D. Marg,  
11<sup>th</sup> Road, Madhu Park,  
Khar (West), Mumbai 400 052

### Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 2018.

- 1 This Certificate is issued in accordance with the terms of our agreement dated 09 March 2019.
- 2 This Report contains details of compliance of conditions of Corporate Governance by Uniphos Enterprises Limited ('The Company') for the year ended 31 March 2019, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and 2018 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchange.

### Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

### Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance Whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certifications for Special Purposes issued by the Institute of Chartered Accountant of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

**Bhavesh Dhupelia**  
Membership No: 042070  
Certificate UDIN No: 19042070AAAAAN5126  
Partner

Date: 17 May 2019  
Place: Mumbai



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members,  
Uniphos Enterprises Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Uniphos Enterprises Limited** having **CIN: L24219GJ1969PLC001588** and having registered office at 11, G.I.D.C., Vapi, Distt. Valsad-396195 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Begin date of appointment in Company
1.	Rajnikant Devidas Shroff	00180810	29/05/1969*
2.	Sandra Rajnikant Shroff	00189012	29/05/1969
3.	Pradeep Vedprakash Goyal	00008370	29/03/2001
4.	Jaidev Rajnikant Shroff	00191050	03/02/1994
5.	Arun Chandrasen Ashar	00192088	28/02/1992
6.	Swati Sandesh Mayekar	00245261	28/01/2010

\*As per MCA records the begin date of appointment is 01/04/2015.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 17/05/2019

Place : Mumbai

**For M/s N L Bhatia & Associates**  
**Practising Company Secretaries**  
**UIN: P1996MH055800**

**Bharat Upadhyay**  
**Managing Partner**

FCS: 5436

CP. No. 4457

# Management Discussion and Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is engaged only in trading in chemicals.

## SEGMENTWISE PERFORMANCE:

The Company operates in a single segment, viz. trading in chemicals.

## BUSINESS OUTLOOK:

The Company continues to look at new opportunities of trading in chemicals in India and abroad.

## RISKS AND CONCERNS:

Key business risks perceived by the Company and mitigating initiatives are as under:

**Funding risk:** As there are no much activities in the Company, the Company may not be able to mobilize adequate funds, if any, in time. The mitigating factors are that the Company has good investment in the quoted shares, so raising additional funds, if any, will not be difficult for the Company.

**Regulatory risk:** Any change in Government / Regulators Policy / Rules / Regulations will require fresh compliances. The mitigating factors are that the group has very strong and dedicated team consisting of professionals to study regulatory changes and fresh requirement.

**Foreign currency fluctuation risk:** – The Company is engaged in the trading activities, which may subject to risk of less profit / loss on account of volatility in foreign currency exchange. The mitigating factors are that the management ensures to enters in trading transactions in such a way that there are minimal risks of volatility in foreign currency exchange or the Company may take adequate forward cover for foreign exchange fluctuations.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an internal control system, commensurate with the size, scale and complexity of its operation. The Group has an inhouse internal audit team headed by a qualified professional, which undertakes internal audit and ensures that all transactions are authorized and recorded in the books of the Company. The internal audit department monitors the efficacy and adequacy

of internal control. Significant audit observations, if any, are presented to the Audit Committee and action taken to correct any deficiency is informed to them. The report prepared by internal audit team forms the basis of utilization by the Managing Director and Chief Financial Officer for financial reporting as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adequate internal financial controls in place, commensurate with the size, scale and complexity of its operations.

The Company is complying with all the applicable Accounting Standards. The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

## FINANCIAL AND OPERATIONAL PERFORMANCE:

During the year, there were no sales. Other income was ₹2403.49 lakhs as compared to ₹2003.43 lakhs in the previous year.

The Company has earned profit of ₹2076.46 lakhs after tax as compared to profit of ₹1768.80 lakhs in the previous year

## HUMAN RESOURCES DEVELOPMENT:

The relationship with the employees continued to be cordial throughout the year.

## DISCLOSURE OF ACCOUNTING TREATMENT:

This has been dealt with in the Directors' Report.

## CAUTIONARY STATEMENT:

Certain statements in this section relating to estimates, projections and expectations may be forward looking within the meaning of applicable laws and regulations. The actual results could differ materially from what the directors envisage in terms of the future performance and outlook. The factors that may affect the performance of the company will be drought or shortfall in rains, change in government policies, tariff barriers, delay in registrations, changes in local and overseas markets and the related factors.

# INDEPENDENT AUDITOR'S REPORT

## To the members of Uniphos Enterprises Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Uniphos Enterprises Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Key Audit Matter	How the matter was addressed in our audit
<p><b>Fair valuation of investment through other comprehensive income</b></p> <p>As disclosed in Note 4 to the financial statements, the Company has significant investments in equity shares.</p> <p>For investments in equity shares, the fair values are based on the valuation of the underlying assets, which consist of quoted equity securities</p>	<p>Our audit procedures performed on the valuation of the investments included verifying the latest available quoted price of the equity shares on the stock exchange as on the reporting date to ascertain the accuracy of their fair value.</p>

#### Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive

income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 skepticism 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.;
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.;
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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:

- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements; - Refer Note 21 to the financial statements;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- d) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration and consequently the provisions of section 197 read with Schedule V to the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Place : Mumbai

Date : 17 May 2019

**Bhavesh Dhupelia**

Partner

Membership No: 042070

**Annexure A to the Independent Auditors' Report - 31 March 2019 (Referred to in our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has verified its fixed assets during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us by the management and on the basis of an examination of the records of the Company, the title deeds of the immovable properties as disclosed in Note 3 of the financial statements are held in the name of the Company, except in the case of leasehold and freehold land with a carrying value of ₹ 369.74 lakhs for which the Company is in the process of registering the title deed in its name.
- (ii) The Company did not have any inventories during the year and accordingly, para 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loan to a company covered in the register maintained under Section 189 of the Act. There are no loans granted to firms/limited liability partnership/other parties.
  - (a) In respect of the aforesaid loan, the terms and conditions under which such loan was granted are not prejudicial to the Company's interest.
  - (b) The aforesaid loan is repayable on demand, we are informed that the amount of interest and principal demanded by the company has been paid during the year and thus, there has been no default on the part of parties to whom the money has been lent.
  - (c) There are no amounts overdue for more than ninety days at the balance sheet date in respect of the aforesaid loan
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans granted. The Company has not provided any guarantee or security to the parties covered under Section 186 of the Act
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits under section 73 to 76 or any other relevant provisions of the Act. Accordingly, para 3(v) of the Order is not applicable to the Company
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the products sold and services rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Goods and Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Duty of customs and Cess.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Nature of the Statute	Nature of dues	Amount (in Lakhs)	Amount paid under protest (in Crores)	Period to which amounts relates	Forum where dispute is pending
Income tax Act, 1961	Income tax demands	510.33	---	AY* 1994-95, AY 1997-98, AY 2001-02, AY 2002-03 and AY 2010-11	Income-tax Appellate Tribunal/ Commissioner of Income Tax (Appeal)

\*AY – Assessment year.

- (viii) According to the information and explanations given to us, the Company did not have any outstanding dues to any banks, financial institutions, government or debenture holder during the year. Accordingly, para 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us, the Company has not paid /provided any managerial remuneration and consequently the provisions of section 197 read with Schedule V to the Act is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with provisions of Section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-JA of the Reserve Bank of India Act, 1934. Accordingly, para 3(xvi) of the Order is not applicable to the Company

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Place : Mumbai

Date : 17 May 2019

**Bhavesh Dhupelia**

Partner

Membership No: 042070

**Annexure B to the Independent Auditors' report on the financial statements of Uniphos Enterprises Limited for the year ended 31 March 2019****Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to the financial statements of Uniphos Enterprises Limited ("the Company") as at 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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").

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in 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 Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to financial statements.**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary



to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements.**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Place : Mumbai

Date : 17 May 2019

**Bhavesh Dhupelia**

Partner

Membership No: 042070

**Balance Sheet as at** 31 March 2019

	Notes	INR Lakhs	
		As at 31 March 2019	As at 01 April 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3a	0.01	0.20
Investment property	3b	17,466.26	17,470.08
<b>Financial assets</b>			
i) Investments	4	246,050.37	186,040.67
ii) Loans	5	0.16	0.46
Income tax assets (Net)		2,418.19	2,399.20
		<b>265,934.99</b>	<b>205,910.61</b>
<b>Current assets</b>			
<b>Financial assets</b>			
i) Investments	6	2,249.89	1,107.65
ii) Cash and cash equivalents	7	67.88	583.44
iii) Bank balances other than cash and cash equivalents	7A	53.83	50.67
iv) Loans	8	1,470.00	1,200.00
v) Others	9	3.40	130.67
Other current assets	10	1.61	20.69
		<b>3,846.61</b>	<b>3,093.12</b>
<b>Total assets</b>		<b>269,781.60</b>	<b>209,003.73</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	11	1,390.92	1,390.92
Other Equity	12	268,373.13	207,596.50
		<b>269,764.05</b>	<b>208,987.42</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
- Outstanding dues of micro and small enterprises	13	-	-
- Outstanding dues of other than micro and small enterprises	13	14.77	12.45
Other current liabilities	14	2.78	3.86
<b>Total liabilities</b>		<b>17.55</b>	<b>16.31</b>
<b>Total equity and liabilities</b>		<b>269,781.60</b>	<b>209,003.73</b>
Summary of significant accounting policies	2		
See accompanying notes to the financial statements	3-31		

As per our report of even date

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No. 042070

Place: Mumbai  
Date: 17 May 2019

For and on behalf of the Board of Directors of  
**Uniphos Enterprises Limited**  
CIN No.: L24219GJ1969PLC001588

**R.D. Shroff**  
Chairman and Managing Director  
DIN : 00180810

**K.M. Thacker**  
Company Secretary

Place: Mumbai  
Date: 17 May 2019

**S.R. Shroff**  
Non-Executive Vice-Chairman  
DIN : 00189012

**B.P. Chheda**  
Chief Financial Officer

# Statement of Profit and Loss for the year ended 31 March 2019

INR Lakhs

	NOTES	Year ended	Year ended
		31 March 2019	31 March 2018
<b>Income</b>			
Other income	15	2,403.49	2,003.43
<b>TOTAL INCOME</b>		2,403.49	2,003.43
<b>Expenses</b>			
Employee benefit expenses	16	101.99	96.89
Legal and professional fees	17	39.02	40.08
Depreciation	18	4.02	4.53
Other expenses	19	140.00	58.13
<b>Total expenses</b>		<b>285.02</b>	<b>199.63</b>
<b>Profit before tax</b>		2,118.46	1,803.80
<b>Tax expense:</b>			
Current tax	20	42.00	35.00
<b>Profit for the year</b>		<b>2,076.46</b>	<b>1,768.80</b>
<b>Other Comprehensive Income (OCI), net of tax</b>			
Item that will not be reclassified to Statement of profit or loss	26	58,700.17	551.40
Income tax related to items that will not be reclassified to Statement of profit or loss		-	-
<b>Total Other Comprehensive Income</b>		<b>58,700.17</b>	<b>551.40</b>
<b>Total Comprehensive Income for the year</b>		<b>60,776.63</b>	<b>2,320.20</b>
<b>Earnings per equity share (In INR)</b>			
Basic (Face value of INR 2 each)	21	2.99	2.54
Diluted (Face value of INR 2 each)		2.99	2.54
Summary of significant accounting policies	2		
See accompanying notes to the financial statements	3-31		

As per our report of even date

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No. 042070

Place: Mumbai  
Date: 17 May 2019

For and on behalf of the Board of Directors of  
**Uniphos Enterprises Limited**  
CIN No.: L24219GJ1969PLC001588

**R.D. Shroff**  
Chairman and Managing Director  
DIN : 00180810

**K.M. Thacker**  
Company Secretary

Place: Mumbai  
Date: 17 May 2019

**S.R. Shroff**  
Non-Executive Vice-Chairman  
DIN : 00189012

**B.P. Chheda**  
Chief Financial Officer

**Statement of cash flows for the year ended** 31 March 2019

	INR Lakhs	
	31 March 2019	31 March 2018
<b>Cash Flow From Operating activities</b>		
<b>Profit before exceptional items and tax</b>	2,118.46	1,803.80
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation	4.02	4.53
Interest Income	(140.13)	(147.46)
Gain on redemption / sale of Investments	(66.25)	(3.33)
Fair value gain on financial instruments at fair value through profit or loss	(125.45)	(3.23)
Dividend Income on investments	(2,071.66)	(1,849.37)
<b>Working capital adjustments</b>		
(Increase)/decrease in non-current and current financial assets	0.30	(18.27)
(Increase)/decrease in other current assets	19.08	-
Increase/(decrease) in other non-current and current trade payables	2.32	(0.31)
Increase/(decrease) in other current liabilities	(1.08)	1.19
	(260.39)	(212.43)
Income tax paid (including TDS) (net)	(60.99)	(124.44)
<b>Net cash flows from / (used in) operating activities</b>	<b>(321.38)</b>	<b>(336.87)</b>
<b>Cash Flow From Investing activities</b>		
Purchase of property, plant and equipment	-	(0.71)
Proceeds from sale of investments	-	2.03
Purchase of Non current investments	(1,233.98)	-
Sale of current investments	4,687.40	2,366.04
Purchase of current investments	(5,713.50)	(3,364.17)
Dividend on investments	2,071.66	1,849.37
Fixed deposits	(3.16)	(3.08)
Interest received	267.40	19.61
Loans - received back	1,200.00	-
Loans - Given	(1,470.00)	-
<b>Net cash flows from / (used in) investing activities</b>	<b>(194.18)</b>	<b>869.09</b>
<b>Cash Flow From Financing activities</b>	-	-
<b>Net cash flows from / (used in) financing activities</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(515.56)</b>	<b>532.22</b>
Cash and cash equivalents at the beginning of the year (Refer note 7)	583.44	51.22
<b>Cash and cash equivalents at the end (Refer note 7)</b>	<b>67.88</b>	<b>583.44</b>

**Notes:**

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows.
- The Company did not had any cash flow changes arising from non-cash transactions from financing activities.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No. 042070

For and on behalf of the Board of Directors of  
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**CIN No.: L24219GJ1969PLC001588**

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**S.R. Shroff**  
Non-Executive Vice-Chairman  
DIN : 00189012

**B.P. Chheda**  
Chief Financial Officer

Place: Mumbai  
Date: 17 May 2019

Place: Mumbai  
Date: 17 May 2019

# Statement of Changes in Equity for the year ended 31 March 2019

## A) Equity share capital

	Equity shares of INR 2 each	
	Nos.	INR Lakhs
<b>Issued, subscribed and fully paid</b>		
As at 31 March, 2017	69,545,849	1,390.92
<b>Changes during the year</b>	-	-
As at 31 March, 2018	69,545,849	1,390.92
<b>Changes during the year</b>	-	-
As at 31 March, 2019	69,545,849	1,390.92

## B) Other equity

INR Lakhs

Particulars	Reserves and surplus				Equity instruments through other comprehensive income	TOTAL OTHER EQUITY
	Capital Reserve	Securities Premium	General Reserve	Revaluation reserve		
Balance as at 31 March 2017	64.39	6,499.56	3,100.65	14,500.00	177,197.10	205,276.30
Profit for the year					1,768.80	1,768.80
Other comprehensive income					551.40	551.40
Balance as at 31 March 2018	64.39	6,499.56	3,100.65	14,500.00	177,748.50	207,596.50
Profit for the year					2,076.47	2,076.47
Other comprehensive income					58,700.17	58,700.17
Balance as at 31 March 2019	64.39	6,499.56	3,100.65	14,500.00	236,448.67	268,373.13

The accompanying notes are an integral part of these financial statements.

As per our report of even date

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101248WW-100022

**Bhavesh Dhupelia**  
Partner  
Membership No. 042070

For and on behalf of the Board of Directors of  
**Uniphos Enterprises Limited**  
CIN No.: L24219GJ1969PLC001588

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Chairman and Managing Director  
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Company Secretary

Place: Mumbai  
Date: 17 May 2019

**S.R. Shroff**  
Non-Executive Vice-Chairman  
DIN : 00189012

**B.P. Chheda**  
Chief Financial Officer

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## 1. Corporate information

Uniphos Enterprises Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two stock exchanges in India and Global Depository Receipt ('GDRs') are listed on Luxembourg stock exchange. The Company is engaged in the business of trading of chemicals and other products. The registered office of the Company is located at 11, G.I.D.C., Vapi, Dist- Valsad, Gujarat. The financial statements were authorised for issue in accordance with a resolution of the directors on May 17, 2019.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

The financial statements have been prepared under the historical cost convention on an accrual basis except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period as stated in the accounting policies set out below. The accounting policies applied by the Company are consistent with those used in the previous year. The financial statements are presented in Indian Rupee ('INR') or ('₹') which is also the Company's functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

### Significant accounting estimates, assumptions and judgements

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model where appropriate. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 28 and 29 for further disclosures

### Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

- financial asset measured at amortized cost
- financial asset measured at FVTOCI- Equity instruments

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

- financial asset measured at FVTPL- Equity instruments

At each reporting date, the Company assesses whether financial assets carried at amortized cost and equity instrument at FVTOCI and FVTPL are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

## Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

## 2.1 Summary of significant accounting policies

### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

### b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is stated inclusive of Goods and Service Tax (GST)

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

## Notes to Financial Statements for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

### Interest income

The Company presently has no debt instruments measured at fair value through other comprehensive income. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### c) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets. Depreciation for the year has been provided as per the rates determined in Part C of Schedule II of the Companies Act, 2013.

### d) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purpose. Upon initial recognition, an investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on investments in property has been provided on written down value basis in accordance with Schedule II of the Companies Act, 2013 by estimating the useful life as 60 years.

### e) Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.



# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Quantitative disclosures of fair value measurement hierarchy (Note 29)

Financial instruments (including those carried at amortised cost) (note 4,5,6,7,7A,8,9,13,28 and 29 )

## f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

## g) Financial instruments

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

### Financial assets

#### Initial recognition and measurement

The Company recognises financial assets in its balance sheet when it becomes party to the contractual provisions of the instruments.

## Notes to Financial Statements for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

All financial assets are recognised initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### Subsequent measurement

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

- Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instruments measured at fair value through profit or loss (FVTPL)
- Debt instruments measured at amortized cost
- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

Presently the Company has no debt instruments measured at amortized cost or FVTPL or FVTOCI

### Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met :

- a) The Company's business model objective for managing the financial assets is to hold financial assets in order to collect contractual cash flows and,
- b) The contractual terms of the financial asset give rise on specified dates to cashflow that are solely payments of principal and interest on the principal amount outstanding.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income or statement of profit and loss, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on derecognition of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

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

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

## Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Lease receivables under Ind AS 17
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
- d) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## h) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include only trade and other payables.

### Subsequent measurement

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

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## j) Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## Minimum Alternate Tax (MAT)

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

## k) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## l) Segment Reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

## Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

## Notes to Financial Statements for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

### **m) Contingent Liability and Contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent asset are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **n) Government grants and subsidies**

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

Government grants / subsidies in the nature of promoters' contribution, given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay, are treated as capital reserve. Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with

### **o) Standard issued but not yet effective**

In October 2018, Ind AS 116 on Leases is made applicable from 1 April 2019, which replaces Ind AS 17 'Leases, including appendices thereto. The new standard will not materially impact the Company's financial statements.

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## 3a. Property plant and equipment

	Building-	Others	Total
<b>Cost or valuation</b>			
<b>At 31 March, 2017</b>			
Additions		0.71	0.71
Disposals		-	-
Transfer/capitalised		-	-
<b>At 31 March, 2018</b>		<b>0.71</b>	<b>0.71</b>
Additions		-	-
Disposals		-	-
Transfer/capitalised		-	-
<b>At 31 March, 2019</b>		<b>0.71</b>	<b>0.71</b>
<b>Accumulated Depreciation</b>			
<b>At 31 March, 2017</b>			
Depreciation		0.51	0.51
Disposals		-	-
<b>At 31 March, 2018</b>		<b>0.51</b>	<b>0.51</b>
Depreciation		0.19	0.19
Disposals		-	-
<b>At 31 March, 2019</b>		<b>0.70</b>	<b>0.70</b>
<b>Net book value</b>			
<b>At 31 March 2018</b>		0.20	0.20
<b>At 31 March 2019</b>		0.01	0.01

## 3b. Investment property

### A. Reconciliation of carrying amount:

Particulars	Land (Refer note below)	Buildings	Total
<b>Gross Carrying Amount</b>			
<b>At 31 March 2017</b>	17,393.63	84.73	17,478.36
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>17,393.63</b>	<b>84.73</b>	<b>17,478.36</b>
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2019</b>	<b>17,393.63</b>	<b>84.73</b>	<b>17,478.36</b>

## Notes to Financial Statements for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

### 3b. Investment property (Contd.)

Particulars	Land (Refer note below)	Buildings	Total
<b>Accumulated Depreciation</b>			
<b>At 31 March 2017</b>	-	4.24	4.24
Depreciation	-	4.02	4.02
<b>At 31 March 2018</b>	-	<b>8.26</b>	<b>8.26</b>
Depreciation	-	3.82	3.82
<b>At 31 March 2019</b>	-	<b>12.08</b>	<b>12.08</b>
<b>Net Block</b>			
<b>At 31 March 2018</b>	<b>17,393.63</b>	<b>76.47</b>	<b>17,470.08</b>
<b>At 31 March 2019</b>	<b>17,393.63</b>	<b>72.65</b>	<b>17,466.26</b>

#### Notes

##### a) Fair value

As on 31 March 2017	18,306.00
As on 31 March 2018	18,306.32
As on 31 March 2019	19,526.90

The Company is in the process of registering the title deed in its name for one immovable property consisting of freehold land with a carrying value of ₹ 369.74 lakhs as at March 31, 2019 (31 March 2018: ₹ 369.74 lakhs).

### B. Measurement of fair value:

#### i) Fair value hierarchy

The fair value of investment property has been determined by an external, independent valuer, having appropriate recognised professional qualifications and recent exposure in the location and category of the property being valued. The fair value measurement for investment property has been categorized as a level 2 fair value based on the inputs to the valuation technique used.

#### i) Valuation technique

The fair value of investment property has been determined by an external, independent valuer based on the market rate existing at the reporting date. Factors that are considered are mentioned below:

- Effect of rights and interest in properties including beneficial ownership and physical possession.
- Effect of size, location and development of the property.
- Effect of usage of the property for commercial purpose with clear title.
- Effect of overall demand in the area and nature and type of construction in the immediate vicinity and consequential effect thereof on demand of premises in the area/locality.
- Effect of current trends in the property market where the property is located.



# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

4. Investments	31 March 2019	31 March 2018
<b>A. At fair value through profit and loss</b>		
<b>Investment in equity instruments (unquoted)</b>		
1,000 (31 March 2018: 1,000) equity shares of no par value in Kaw Valley, Inc.	0.98	0.98
250 (31 March 2018 : 250) equity shares of no par value in Midland Fumigant, Inc.	4.91	4.91
Less: provision for impairment in value of long-term investments	(5.89)	(5.89)
	-	-
1,00,000 (31 March 2018: 100,000) equity shares of ₹ 10 each fully paid-up in Harsora Hotels Private Limited	100.56	25.00
100 (31 March 2018: 100) equity shares of ₹ 10 each fully paid-up in Industrial Grahak Sahakari Bhandar Limited	0.01	0.01
156 (31 March 2018: 156) equity shares of ₹ 100 each fully paid-up in Sardar Bhiladwala Pardi People's Co-operative Bank Limited	0.15	0.15
40 (31 March 2018: 40) equity shares of ₹ 500 each fully paid-up in Shree Ganesh Khand Udyog Sahakari Mandi Limited	0.20	0.20
<b>B At fair value through OCI</b>		
<b>Investment in equity instruments (quoted)</b>		
2,57,26,930 (31 March 2018: 2,55,49,798) equity shares of ₹ 2 each fully paid-up in UPL Limited	245,949.45	186,015.30
	<b>246,050.37</b>	<b>186,040.66</b>
<b>Notes :</b>		
a) Aggregate amount and market value of quoted investments	245,949.45	186,015.30
b) Aggregate amount of unquoted investments	106.81	31.25
c) Aggregate amount of impairment in value of investments.	(5.89)	(5.89)
<b>5 Loans</b>		
<b>Security deposit</b>		
Unsecured, considered good	0.16	0.46
	<b>0.16</b>	<b>0.46</b>

## Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

<b>6 Investments</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Investments stated at fair value through profit and loss</b>		
<b>In Mutual Funds (Unquoted)</b>		
SBI Arbitrage Fund (D) (31 March 2018: 2,937,918.47 31 March 2017: Nil, 1 April 2016: Nil)	-	415.69
SBI Arbitrage Fund (31 March 2018: 2,331,490.41 31 March 2017: Nil, 1 April 2016: Nil)	-	310.78
UTI Arbitrage Fund (31 March 2018: 2,286,507.61 31 March 2017: Nil, 1 April 2016: Nil)	-	381.18
SBI Liquid fund ( 31 March 2019 : 41121.86, 31 March 2018 : Nil)	1,201.76	-
Abakkus Growth Fund (31 March 2019 : 106,231.85, 31 March 2018 : Nil)	1,048.14	-
	<b>2,249.89</b>	<b>1,107.65</b>
<b>Notes :</b>		
a) Aggregate amount and market value of quoted investments	-	-
b) Aggregate amount of unquoted investments	2,249.89	1,107.65
c) Aggregate amount of impairment in value of investments.	-	-
<b>7 Cash and cash equivalents</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Balances with banks		
- Current accounts	67.85	583.38
Cash in hand	0.04	0.06
	<b>67.88</b>	<b>583.44</b>
<b>7A Other bank balances</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Deposits with original maturity for more than 3 months but less than 12 months	53.83	50.67
	<b>53.83</b>	<b>50.67</b>
<b>8 Loans</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Unsecured, considered good</b>		
Loan to related party	1,470.00	-
loans to others	-	1,200.00
	<b>1,470.00</b>	<b>1,200.00</b>
<b>9 Other</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Interest receivable	3.40	130.67
	<b>3.40</b>	<b>130.67</b>

# Notes to Financial Statements

for the year ended 31st March, 2019  
(All amounts are stated in INR lakhs, unless otherwise mentioned)

## 10 Other current assets

	31 March 2019	31 March 2018
Prepaid expenses	1.53	20.69
Other advances	0.08	-
	<b>1.61</b>	<b>20.69</b>

## 11 Share Capital

	31 March 2019	31 March 2018
<b>Authorised Share Capital</b>		
15,00,00,000 (31 March 2018 : 150,000,000) equity shares of ₹ 2/- each	3,000.00	3,000.00
7,00,00,000 (31 March 2018 : 7,000,000) preference shares of ₹ 100/- each	7,000.00	7,000.00
<b>Issued, subscribed and fully paid Up</b>		
69,545,849 (31 March 2018 : 69,545,849) equity shares of ₹ 2/- each fully paid up	1,390.92	1,390.92
	<b>1,390.92</b>	<b>1,390.92</b>

### (a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

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

### (b) Reconciliation of shares at the beginning and at the end of the reporting period

#### Equity Shares

Particulars	31 March 2019		31 March 2018	
	No. of shares in Lakhs	INR Lakhs	No. of shares in Lakhs	INR Lakhs
At the beginning of the year	695.46	1,390.92	695.46	1,390.92
Add: Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>695.46</b>	<b>1,390.92</b>	<b>695.46</b>	<b>1,390.92</b>

### (c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company are as below:

	31 March 2019	31 March 2018
Nerka Chemicals Private Limited, the holding company		
49,819,612 (31 March 2018 : 49,819,612) equity shares of ₹ 2 each fully paid	996.39	996.39

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## 11 Share Capital (Contd.)

### (d) Details of shareholders holding more than 5% shares in the Company

(Equity shares of ₹ 2 each fully paid)

Name of shareholder	31 March 2019		31 March 2018	
	No. of shares	% of total shares in class	No. of shares	% of total shares in class
Nerka Chemicals Private Limited	49,819,612	71.64	49,819,612	71.64

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

- (e) There are 26,962 (31 March 2018 : 26,962) underlying equity shares of the Company in respect of GDR's listed on Luxembourg Stock Exchange. Every GDR is issued against 2 equity shares.
- (f) There are no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

## 12. Other equity

### i) Securities Premium Reserve

<b>At 31 March 2017</b>	6,499.56
Increase/(decrease) during the year	-
<b>At 31 March 2018</b>	<b>6,499.56</b>
Increase/(decrease) during the year	-
<b>At 31 March 2019</b>	<b>6,499.56</b>

### ii) Retained Earnings

<b>At 31 March 2017</b>	3,914.59
Add: Profit for the year	<b>1,768.80</b>
<b>At 31 March 2018</b>	5,683.39
Add: Profit for the year	2,076.46
<b>At 31 March 2019</b>	<b>7,759.85</b>

### iii) Other Reserves

<b>Capital reserve</b>	
<b>At 31 March 2017</b>	64.39
Increase/(decrease) during the year	-
<b>At 31 March 2018</b>	<b>64.39</b>
Increase/(decrease) during the year	-
<b>At 31 March 2019</b>	<b>64.39</b>

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## General reserve

<b>At 31 March 2017</b>	3,100.65
Increase/(decrease) during the year	-
<b>At 31 March 2018</b>	<b>3,100.65</b>
Increase/(decrease) during the year	-
<b>At 31 March 2019</b>	<b>3,100.65</b>

## Revaluation reserve

<b>At 31 March 2017</b>	14,500.00
Increase/(decrease) during the year	-
<b>At 31 March 2018</b>	<b>14,500.00</b>
Increase/(decrease) during the year	-
<b>At 31 March 2019</b>	<b>14,500.00</b>

## Equity Instruments through Other Comprehensive Income

<b>At 31 March 2017</b>	177,197.10
Increase/(decrease) during the year	551.40
<b>At 31 March 2018</b>	<b>177,748.50</b>
Increase/(decrease) during the year	58,700.17
<b>At 31 March 2019</b>	<b>236,448.67</b>

**Securities Premium Reserve** - Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

**Capital reserve** - The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve and central and state subsidies for a project in backward area.

**General reserve** - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

**Revaluation reserve** - The Company had revalued its investment properties to recognise its fair value as on 31 March, 2011, under Previous GAAP. The revaluation was carried out based on valuation report of independent valuers and the appreciation in the value of the assets is credited to revaluation reserve.

## Other reserves

	31 March 2019	31 March 2018
Capital reserve	64.39	64.39
General reserve	3,100.65	3,100.65
Revaluation reserve	14,500.00	14,500.00
Equity Instruments through Other Comprehensive Income	236,448.67	177,748.50
<b>Total other reserves</b>	<b>254,113.71</b>	<b>195,413.54</b>

## Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

### 13. Trade payables

	31 March 2019	31 March 2018
Outstanding dues of micro and small enterprises (Refer note 23)	-	-
Outstanding dues of other than micro and small enterprises	14.77	12.45
	<b>14.77</b>	<b>12.45</b>

### 14. Other current liabilities

	31 March 2019	31 March 2018
Statutory liabilities	2.78	3.86
Others	-	-
	<b>2.78</b>	<b>3.86</b>

### 15. Other income

	31 March 2019	31 March 2018
Interest income on financial assets carried at amortized cost	140.10	147.46
Interest on income tax refund	0.02	-
Dividend income on		
on quoted equity instruments measured at FVTOCI	2,058.15	1,788.49
on mutual funds investments measured at FVTPL	13.51	60.88
Capital gain on redemption of current investments	66.25	3.29
Fair value gain on financial instruments at fair value through profit or loss	125.45	3.23
Miscellaneous income	-	0.09
	<b>2,403.49</b>	<b>2,003.43</b>

### 16. Employee benefits expense

	31 March 2019	31 March 2018
Salary, wages, bonus and other benefits	101.99	96.89
	<b>101.99</b>	<b>96.89</b>

### 17. Legal and professional fees

	31 March 2019	31 March 2018
Legal and professional fees	27.62	28.99
Payment to auditors (Refer details below)	11.40	11.09
	<b>39.02</b>	<b>40.08</b>
<b>Payment to auditors</b>		
Audit fees	8.00	8.00
Other services	3.00	3.00
Out of Pocket expenses	0.40	0.09
	<b>11.40</b>	<b>11.09</b>

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## 18. Depreciation and amortization expense

	31 March 2019	31 March 2018
Depreciation on property, plant and investment	0.19	0.51
Depreciation on investment property	3.82	4.02
	<b>4.02</b>	<b>4.53</b>

## 19. Other expenses

	31 March 2019	31 March 2018
Electricity Charges	0.91	0.86
Rates and taxes	65.40	14.17
Repairs and maintenance (Others)	34.43	4.18
Security charges	27.35	27.45
Printing and stationery	5.22	6.05
Postage and stamps	2.88	1.08
Director sitting fees	1.40	1.30
Travelling expenses	0.85	1.27
Miscellaneous expenses	1.57	1.78
	<b>140.00</b>	<b>58.13</b>

## 20. Income taxes

### a) The major components of income tax expense for the year are as under:

Income tax expenses recognised in the statement of profit and loss:

	31 March 2019	31 March 2018
<b>Current tax:</b>		
In respect of current year	42.00	35.00
	<b>42.00</b>	<b>35.00</b>

## Notes to Financial Statements for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

### b) Reconciliation of tax expense and accounting profit for the year is as under

	31 March 2019	31 March 2018
Accounting profit before income tax (Excluding Short term capital gain)	2,052.21	1,800.51
Short term Capital gain	66.25	3.29
<b>Total accounting profit before income tax</b>	<b>2,118.46</b>	<b>1,803.80</b>
Statutory income tax rate of 27.82% (previous year 27.55%) on normal income	588.73	496.04
Statutory income tax rate of 16.69% on short term capital gain (previous year: 16.53 %)	0.91	0.54
Fair value gain on financial instruments at fair value through profit or loss	(34.90)	0.89
Effect of income that is exempt from tax	(576.34)	(509.50)
Tax effect on non-deductible expenses	27.23	26.06
Disallowance u/s 28 to 44DA of income Tax Act, 1961	34.73	17.89
Other adjustments	1.63	3.08
<b>Income tax expense reported in the statement of profit and loss</b>	<b>42.00</b>	<b>35.00</b>

### 21. Earning per share (EPS)

	31 March 2019	31 March 2018
Profit attributable to equity holder	2,076.46	1,768.80
Weighted average number of Equity Shares Outstanding (B) (Nos.)	695,45,849	695,45,849
Basic and Diluted Earning Per Share (INR) [(A)/(B)]	2.99	2.54
Face Value Per Share (INR)	2.00	2.00

### 22. Contingent liabilities

	31 March 2019	31 March 2018
Disputed Income tax liabilities (Note below)	3,553.19	3,553.19

#### Note

The contingent liability for income tax is mainly on account of major disallowances /additions made in the assessment proceedings since AY 1994 – 95 to AY 2011-12 on account of taxability of amount of advance licence benefit receivable, pass book benefit receivable, data access fees paid, deduction in respect of premium paid for lease hold land, benefit claimed u/s. 80HHC, benefit claimed u/s 80IA / IB and other miscellaneous addition / disallowances. The Company has contested all the above issues before the Commissioner of Income Tax (A) /Income Tax Appellate Tribunal and same are pending before the said authorities for disposal.

### 23. Micro, small and medium enterprises disclosure

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.



# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## 24. Segment reporting

The income of the Company comprises of solely dividend and interest income and accordingly there are no reportable segments.

## 25. Details of Loans and Investments as required u/s 186 of Companies Act, 2013

Particulars	31 March 2019		01 April 2018	
	Loan given	Outstanding	Loan given	Outstanding
<b>Loans</b>				
Loan given and proposed to be utilised for business operations by receiptent -				
Sadafauli Finvest Pvt. Ltd.	-	-	-	1,200.00
Teknomic consutlannts Pvt Ltd	800.00	-	-	-
Ttava Global Environment Pvt Ltd.	1,470.00	1,470.00	-	-

**Note:** Rate of interest charged on loan given is between 10.5 % 12% p.a.

### Investments

Details required u/s 186 have been disclosed in note 4 of the financial statements.

## 26. Components of Other Comprehensive Income (OCI), net of taxes

Particulars	31 March 2019	31 March 2018
	FVTOCI Reserve	FVTOCI Reserve
Fair value of financial assets through OCI	58,700.17	551.40

## 27 Related Party disclosure:

### A. Name of the related parties where control exists irrespective of whether transaction have occurred or not:

#### (i) Holding company

Nerka Chemicals Private Limited ('Nerka')

#### (ii) Ultimate Holding Company

Demuric Holdings Private Limited ('Demuric')

### B. Name of other related parties with whom transactions have taken place during the year:

#### (i) Enterprises over which Key Management personnel and their relatives have significant influence :

UPL Limited ('UPL')

Uniphos International Limited ('UIL')

Tatva Global Environment Private limited ('TGEPL')

#### (ii) Key Management Personnel and their relatives :

Mr Pradeep Goyal

Mrs Swati Mayekar

K. M. Thacker - Company Secretary

B. P. Chheda - Chief Financial Officer

## Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

**(b) The following transactions were carried out with the related parties in the ordinary course of business:**

Nature of Transactions	Holding Company		Enterprises over which Key Management Personnel and their relatives have significant influence		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>1. Income</b>						
Interest on Optionable Convertible Preference shares	-	-		0.01	-	0.01
Interest on Loan from TGEPL	-	-	2.42	-	2.42	-
Dividend from UPL	-	-	2,058.15	1,788.49	2,058.15	1,788.49
<b>2. Loan given to TGEPL</b>	-	-	1,470.00	-	1,470.00	-
<b>3. Reimbursement received</b>						
UPL	-	-		2.03	-	2.03
<b>4. Reimbursement made</b>						
UPL	-	-	-	109.69	-	109.69
<b>5. Salary and other reimbursements</b>						
UPL (Salary)	-	-	101.99	100.52	101.99	100.52
UIL	-	-	0.07	0.06	0.07	0.06
Nerka	-	0.01	-	-	-	0.01
<b>6. Outstanding receivable</b>						
Loan to TGEPL	-	-	1,470.00	-	1,470.00	-
Interest on Loan to TGEPL	-	-	2.17	-	2.17	-

**(c) Transactions with Key Management Personnel and their relatives**

Particulars	31-Mar-19	31-Mar-18
Director Sitting fees - Mr. Pradeep Goyal	0.70	0.65
Director Sitting fees - Mrs. Swati Mayekar	0.70	0.65
Remuneration - K. M. Thacker	61.03	58.18
Remuneration - B. P. Chheda	40.96	38.71

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## 28. Category-wise classification of financial instruments

	Note	Non current		Current	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>(A) Accounting, classification and fair values</b>					
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>					
Investment in equity instruments	4	100.92	25.36	-	-
Investment in mutual funds	6	-	-	2,249.89	1,107.65
		<b>100.92</b>	<b>25.36</b>	<b>2,249.89</b>	<b>1,107.65</b>
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in quoted equity shares / Preference shares	4	245,949.45	186,015.30	-	-
		<b>245,949.45</b>	<b>186,015.30</b>	-	-
<b>Financial assets measured at amortised cost</b>					
Security deposit	5	0.16	0.46	-	-
Cash and cash equivalents	7	-	-	67.88	583.44
Other Bank balance	7A	-	-	53.83	50.67
Loans to related party	8	-	-	1,470.00	-
Loans to others	8	-	-	-	1,200.00
Other	9	-	-	3.40	130.67
		<b>0.16</b>	<b>0.46</b>	<b>1,595.11</b>	<b>1,964.79</b>
<b>Financial liabilities measured at amortised cost</b>					
Trade payables	13	-	-	14.77	12.45
		-	-	<b>14.77</b>	<b>12.45</b>

### (B) Measurement of fair value:

Valuation techniques and significant unobservable inputs:

#### (i) Financial instruments measured at fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

#### (ii) Financial instrument measured at amortized cost:

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

## Notes to Financial Statements for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

### 29. Fair Value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
<b>FVTOCI financial investments (Note 4):</b>					
Quoted equity shares	31-Mar-19	245,949.45	245,949.45	-	-
<b>FVTPL financial investments (Note 6):</b>					
Mutual funds	31-Mar-19	2,249.89	-	2,249.89	-
Unquoted equity instruments	31-Mar-19	100.92	-	100.92	-

There have been no transfers between Level 1 and Level 2 during the year.

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
<b>FVTOCI financial investments (Note 4):</b>					
Quoted equity shares / Preference shares	31-Mar-18	186,015.30	186,015.30	-	-
<b>FVTPL financial investments (Note 6):</b>					
Mutual funds	31-Mar-18	1,107.65	-	1,107.65	-
Unquoted equity instruments	31-Mar-18	25.36	-	25.36	-

There have been no transfers between Level 1 and Level 2 during the year.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### 30. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

# Notes to Financial Statements

for the year ended 31st March, 2019

(All amounts are stated in INR lakhs, unless otherwise mentioned)

## Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include FVTOCI investments, FVTPL investments and Loans.

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

## Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Company's investment in it's group company - UPL limited, which is listed, is significant. But being the startegic investment, the Company is not influenced by equity price risk.

## Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities from its financing activities, including deposits with banks and financial institutions and other financial instruments.

## Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's board of directors. Investments of surplus funds are made only with approval of Board of directors.

## Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

## 31. Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2019.

As per our report of even date

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No. 042070

Place: Mumbai  
Date: 17 May 2019

For and on behalf of the Board of Directors of  
**Uniphos Enterprises Limited**  
CIN No.: L24219GJ1969PLC001588

**R.D. Shroff**  
Chairman and Managing Director  
DIN : 00180810

**K.M. Thacker**  
Company Secretary

Place: Mumbai  
Date: 17 May 2019

**S.R. Shroff**  
Non-Executive Vice-Chairman  
DIN : 00189012

**B.P. Chheda**  
Chief Financial Officer







**If undelivered, please return to:**

 **UNIPHOS ENTERPRISES LIMITED**

Secretarial Department  
Uniphos House, C.D. Marg,  
11th Road, Madhu Park  
Khar (West), Mumbai- 400 052.