



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

By online submission

Sec/19-20/112
Date: 23-08-2019

To,
The General Manager,
Department of Corporate Services
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P. J Tower,
Dalal Street, Fort
Mumbai-400 001
BSE Code: 524370

To,
The General Manager,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai-400 051.
NSE Code: BODALCHEM

Dear Sir /Madam,

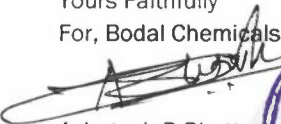
Sub: Annual Report- Regulation 34 of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015, we hereby enclose a Copy of Annual Report of the Company for the Financial Year 2018-2019.

You are requested to take the same on your record.

Thanking You,

Yours Faithfully
For, Bodal Chemicals Ltd


Ashutosh B Bhatt
Company Secretary &
Compliance Officer



Encl-a/a

HEAD OFFICE:

Plot No. 123-124, Phase-1,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com

CIN No. : L24110GJ1986PLC009003

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Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

ANNUAL REPORT 2018-19

**INTEGRATED
THINKING.**

**FUTURE-CENTRIC
MINDSET.**



ACROSS THE PAGES

Corporate Overview

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Investor information

Market Capitalisation

as on March 31, 2019 : ₹ 15,487.43 Million

CIN : L24110GJ1986PLC009003

BSE Code : 524370

NSE Symbol : BODALCHEM

Dividend Declared : 40% on Face Value (i.e. ₹ 0.80)

AGM Date : 20th September 2019

AGM Venue : ATMA Auditorium, Opp. Old RBI Office,
Ashram Road, Ahmedabad -380 009

Disclaimer: This document contains statements about expected future events and financials of Bodal Chemicals Ltd, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

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Please find our online version at
<https://bodal.com/annualreport.php>

Or simply scan to download



INTEGRATED THINKING IS ABOUT EXTRACTING THE BEST VALUE FROM THE BUSINESS AND SOLIDIFYING THE FOUNDATION FOR THE FUTURE.



While our business value chain reduces our external dependencies, our strategic initiative during the year have further opened up venues of leveraging synergic benefits in the form of scaling up the core business.

KPIs of 2018-19*

₹ 14,235.02 Million,
+ 24.63%
Revenue

As a future-focussed organisation, we are now heading towards transforming ourselves into a fully-integrated global Dyestuffs company. With even a stronger integration of business model, newer products and larger marketing base, we are looking forward towards driving consistent margins and profitability, creating value for the stakeholders associated with us.



₹ 6,102.48 Million,
+ 79.49%

Revenue from exports

₹ 1,412.99 Million,
+ 15.89%

PAT

*on a consolidated basis



₹ 2,494.94 Million,
+ 22.37%

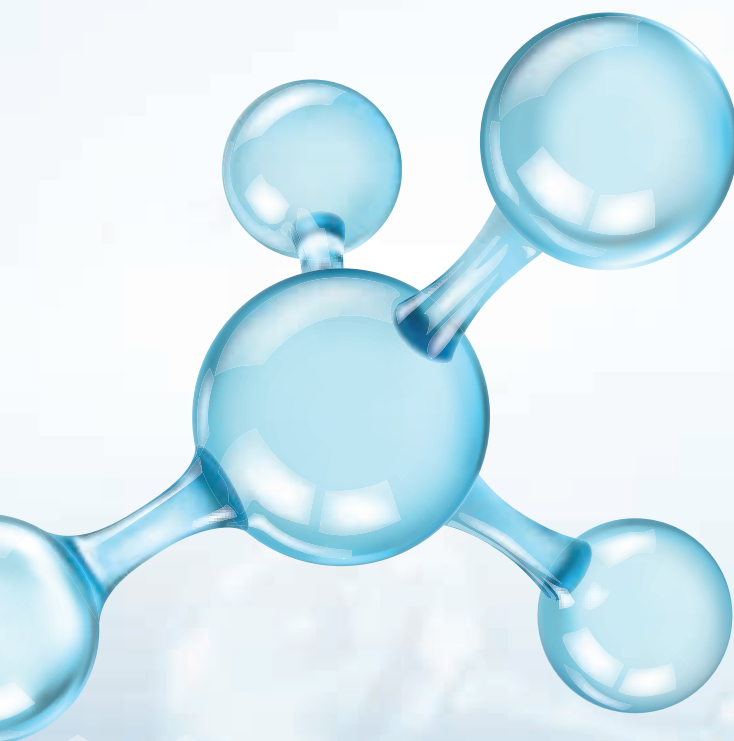
EBITDA

MULTIPLE ACTIONS REVOLVING AROUND SINGLE STRATEGY - INTEGRATED THINKING. THIS IS BODAL CHEMICALS LTD.

Incorporated in 1989, Bodal Chemicals Ltd (also mentioned as 'Bodal' or 'the Company') has successfully evolved as one of the globally leading, integrated Dyestuff companies from India. We have strategically fostered our growth in this industry through organic and inorganic route, while maintaining a commitment to safety and sustainability.

We have over 200 products in our product portfolio across Basic Chemicals, Dyestuff, Dye Intermediates and Speciality Chemicals. We own 9 manufacturing facilities across Gujarat and 1 facility in Uttar Pradesh with 7 depots across India. Our products are marketed across 150+ customers spread across 45+ countries globally. Our world-class laboratories and R&D facility in Gujarat further contribute towards achieving operational excellence and help in strengthening our product line & integrated manufacturing value chain.

Through our consistent efforts, we have remarkably touched lives of all our stakeholders. Further, we continue to explore opportunities in product expansion and offshore market which align with our transition philosophy.



- SPS Processors Pvt. Ltd. (**SPS**): 70% holding (acquired in 2017)
- Trion Chemicals Pvt. Ltd. (**TCPL**): 59% holding (acquired in 2017) (as associates in 2017 but as subsidiary in 2018-2019)
- Bodal Chemicals Trading Pvt. Ltd. (**BCTPL**): 100% holding (Indian trading subsidiary incorporated in 2018-2019)
- Bodal Chemicals Trading (Shijiazhuang) Co. Ltd.: 100% holding (China trading subsidiary incorporated in 2018-2019)

Highlights 2018-19

Operational

- Stabilised Dyestuff expansion by 12,000 MTPA
- Stabilised 5 MW co-generation power plant at unit 7
- Incorporated trading subsidiaries (India & China)
- Expanded Dyestuff powder capacity by 6,000 MTPA
- Completed capacity addition of 36,000 MTPA of Thionyl Chloride (TC) and commenced with the trial production

Awards and accolades

- Awarded for highest self-manufacturing turnover from domestic and export of dyes and dye intermediates during 2016-17 by 'The Gujarat Dyestuffs Manufacturers Association' in June 2018
- Awarded 'first' in the large scale unit category for outstanding performance in the domestic market and 'second' in large scale unit category for excellent performance in export of Dyestuffs by 'The Dyestuff Manufacturers' Association of India' in July 2018
- Awarded as 'ET Enterprise Icons 2018'
- Received 'Gujarat Best Brand Award 2018'



MESSAGE TO THE SHAREHOLDERS



Dear Shareholders,

This has been a pleasing year at Bodal. We achieved a good set of financial results and satisfactory operational achievements despite challenging economic conditions. Our strategic endeavours towards business integration have further strengthened our competitiveness and allowed us to remain relevant for the future.

Macro-economic environment

The year went by witnessed trade tariff wars between the world's two major economies which impacted the growth momentum across the globe. The uncertainty of the Brexit outcome in Europe further led to a sluggish growth across the developed and emerging nations. Even India had its own set of challenges in the form of volatile crude prices, liquidity crunch and rupee depreciation. It slowed down the overall momentum of the economy, leading to a mere 6.8% GDP growth, which was marginally higher than that in last year. However, with the renewed stability at the Centre, India will continue to progress on the back of positive reforms and investments across key growth sectors.

Business environment

The global chemical industry continued to be impacted by the stringent environmental concerns and Government regulations in China. The consolidation in the Chinese chemical industry has led to several MNCs reworking the sourcing strategy and are now considering India as the major destination. Moreover, India has much stringent environmental norms for chemical business, which is largely preferred by the MNCs. As a result, there has been an upswing in demand and strong capex cycle across the industry. At Bodal, we proactively initiated capex plans and explored strategic acquisition opportunities to leverage upon this opportunity and consolidate our positioning in the industry.

Around 40-45% of Basic Chemicals and Dye Intermediate is used for captive consumption.

Business performance

The Indian Dyestuff and Dye Intermediate industry has seen a massive transition. The country went from being a net importer to a leading exporter across the globe. The Indian Dyes market is expected to generate revenues worth approximately ₹ 48,000 Crores by 2022. The demand will be driven by the user industries such as textile, leather, paper and printing ink, among others. At Bodal, we are India's largest manufacturer of Dye Intermediates accounting for 20% of domestic capacity and 5% of global capacity. The business segment is well-diversified where majority of the revenue is generated from Dye Intermediates followed by Dyestuff, Basic Chemicals and others. We enhanced capacities of our Dyestuff business by 6,000 MTPA and Basic Chemicals by 36,000 MTPA.

Financial performance

Our strong and consistent performance in 2018-19 is an outcome of the capacity expansions and the favourable industry dynamics during the year.



The integrated nature of our business has resulted in higher captive consumption leading to lower operational costs and strong profitability.



Aspired to transform into a fully integrated global Dyestuff company with Future-centric mindset

What we are today? 2018-19

- Revenue: ₹ 14,300 Million
- EBITDA: ₹ 2,500 Million
- PBT: ₹ 2,200 Million
- PAT: ₹ 1,400 Million
- Cash profit: ₹ 1,800 Million
- Net Worth: ₹ 8,300 Million
- Net Debt/Equity: 0.2
- Net Debt/EBITDA: 0.7

What we intend to do further?

- Calculated capacity expansions
- Strengthen business integration
- Diversify into new product lines
- Explore inorganic growth opportunities
- Enhance geographical presence
- Reduce energy costs

What we envision? 2023-24

- Revenue: ₹ 29,000 Million
- EBITDA: ₹ 6,600 Million
- PBT: ₹ 4,600 Million
- PAT: ₹ 3,000 Million
- Cash profit: ₹ 4,000 Million
- Net Debt/Equity: 0.3
- Net Debt/EBITDA: 0.8

Given below are some of the prominent highlights on a consolidated basis:

- Total revenue from operation increased by 24.63 % to ₹ 14,235 Million in 2018-19 from ₹ 11,422 Million in 2017-18 owing to better product mix, better realisation and higher exports
- EBITDA increased by 22.37% to ₹ 2,495 Million in 2018-19 as compared to ₹ 2,039 Million in 2017-18
- PAT strengthened by 15.89% to ₹ 1,413 Million in 2018-19 as compared to ₹ 1,219 Million in 2017-18
- Debt to equity decreased from 0.26 in 2017-18 to 0.20 in 2018-19.

Strategies for the next level of growth

We have several future strategies lined up that will further strengthen our integrated capabilities and allow to explore new product lines, newer geographies and wider applications. These include:

- Diversification into Chlor Alkali plant with capacities of ~300 TPD for in-house production of caustic soda flakes, caustic soda lye, chlorine and hydrogen, at Saykha GIDC, near Dahej

- Expansion of Sulphuric Acid plant with capacities of ~1,000 TPD to cater to the increasing requirements from dye intermediates, fertilisers, pharmaceuticals, alumina and textiles industries, at Saykha GIDC, near Dahej
- Expansion of Dyestuff capacities to ~19,200 MTPA at Padra, Vadodara to produce various shades of high-margin products and meet the global demand
- Addition of Turquoise Blue capacities to 4, 800 MTPA at Ahmedabad to capitalise on the nicheness of the product and strengthen our margins
- Acquiring 80% stake in a Turkish company for ₹ 320 Million to strengthen B2C business and enhance exposure to the newer markets

The softer aspect

At Bodal, our business growth is driven by being concerned about three important aspects: by giving back to the community, by creating a healthy environment, and by proactively framing policies and standards which foster greater trust and transparency. Our consistent R&D outcome has helped us to improvise our sustainable production process, which

includes treatment of wastewater at plant. As far as community is concerned, we, through our CSR activities cover wide spectrum of activities across education, health, sports and animal welfare. We strictly comply with legal and regulatory norms which makes a comprehensive and lasting impact that will positively transform how all our stakeholders view our business.

Closing thoughts

I would like to appreciate the efforts of our employees for their untiring and dedicated efforts. I would also like to acknowledge the support of our stakeholders and the Board for their relentless support in our growth journey. They have put utmost confidence in our experienced Management team who have remained quick in the execution of strategy of growth and value creation. I look forward to the next phase of development and will come back to you once again next year with the progress on our set strategies.

Suresh J. Patel

Chief Executive Officer, Chairman & Managing Director

BUSINESS MODEL AND VALUE CREATION

INPUTS

Manufacturing capital

10 manufacturing facilities

Production capacity (increased in last two years):

- Dyestuff: Increased by **18,000 MT** to **35,000 MT**
- Dye Intermediates: Increased by **3000 MT** to **33,000 MT**
- Basic Chemicals: Increased by **36,000 MT** to **226,000 MT**

Financial capital

- Equity: ₹ **8,302.86 Million**
- Debt: ₹ **1,643.56 Million**
- Debt to equity: **0.20**

Natural capital

- Effluent treatment plant
- Multiple-effect evaporator
- Effluent spray dryer plant
- Co-generation power plant

Intellectual capital

- Three R&D laboratories
- Experience and qualified chemists and scientists
- Modern instruments

Human capital

- **1,300+** people on board
- Training and grooming programs for skill development
- Attention to safety and health of the employees

Relationship capital

Relationship with all the stakeholders including Government, regulatory bodies, investors, suppliers and customers

Social capital

- Total CSR expenditure of ₹ **3.49 Crores**

VALUE-ENABLERS

Integrated business model leading to cost competitiveness and protection against commodity cycle

Diversified product portfolio

Strong and experienced Management team with continuous focus on growth and increase in shareholders' value

Strong customer relationship across the globe

Successful and consistent track record of organic and inorganic growth

Well- equipped production facilities and laboratories. Strict quality adherence and continuous investment into R&D



Strict environmental compliance with in-house ETP and MEEP plants



Presence in multiple countries minimising country-specific risks



Strong exports presence



VALUES-CREATED

Manufacturing capital

Production in 2018-19:

- Dyestuff: **18,588 MT**
- Dye Intermediates: **23,674 MT**
- Basic Chemicals: **188,534 MT**

Financial capital

Financial performance in 2018-19:

- Total income: ₹ **14,369 Million** ● EBITDA: ₹ **2,495 Million**
- PAT: ₹ **1,413 Million** ● EPS: ₹ **11.56** ● DPS: ₹ **0.80**
- ROE: **17%** ● ROCE: **27%**

Natural capital

- Reusage of water ● Zero liquid discharge ● Effectively disposable waste ● Saving of electricity ● Cost optimised process ● No shutdown of units

Intellectual capital

- Constant improvement in the existing product line ● Process improvements with consistent quality ● In-house raw material production leading to strengthening of the integrated value chain of the business

Human capital

- Skilled employees ● Lower chances of accident occurrence ● Productive working environment ● Increased employee retention rate

Relationship capital

- Adherence to stringent regulatory and environmental norms ● Transparent disclosures and strong governance
- Consistent contribution to the national exchequers by means of direct and indirect taxes ● Consistently rewarding investors with dividends ● Strong relationship with vendors and suppliers ● Strong relationship with customers across the globe

Social capital

- Community upliftment through promotion of education, healthcare, sports, economic, rural upliftment

PRODUCT SEGMENTS

Our products cater to industries such as textile, leather, paper, detergent and water treatment which touch upon everyone's life in day-to-day activities.



DYE INTERMEDIATES

- Contribution to the consolidated revenue: **48.18 %**
- Capacities of effluent treatment of high load wastewater using Multiple Effect Evaporator Plant (MEEP): **5 Lacs litres per day**
- Production capacity: **33,000 MT**
- Capacity utilisation: **71.74%**

We have significantly advanced in the Dye Intermediate segment, starting from a mere producer of Vinyl Sulphone Ester (Acetanilide Base) during the initial days to currently producing over 25 variants of Dye Intermediates. We produce different range of intermediates such as Vinyl Sulphone, H Acid, DASA, FC Acid, Gamma Acid and VS Derivatives, among others.

Clients we cater to

- Jay Chemicals Industries Ltd.
- Oh Young Inc.
- Huntsman
- BASF
- Meghmani Organics Ltd.
- Aceto Corporation
- Lanxess
- Pranav Industries
- Mcfills Enterprises Pvt. Ltd.
- Chemistar Intermediates Pvt. Ltd.

DYESTUFF

- Contribution to the consolidated revenue: **34.37 %**
- Capacities of effluent treatment of high load wastewater using Effluent Treatment plant: **5 Lacs litres per day**
- Production capacity: **35,000 MT**
- Capacity utilisation: **64.10 %**

We possess the capacity of supplying the product in different forms like liquid, powder and salt-free substances. Our product portfolio comprises over 150+ range of dyes which includes reactive, acid & direct dyes, finding its application across textile, leather & paper industries.

Clients we cater to

- Dystar
- Huntsman
- Archroma
- Colorantes Industriales S.a
- BASF
- Stahl
- United Fabricare Supply. Inc
- Sen-Er Boya Kimya Tekstil San.tic. Ltd.
- Exel Chemicals India Pvt. Ltd.
- Raj Chemicals Ltd.

BASIC CHEMICALS

- Contribution to the consolidated revenue: **10.99 %**
- Production capacity: **226,000 MT**
- Capacity utilisation: **99.23%**

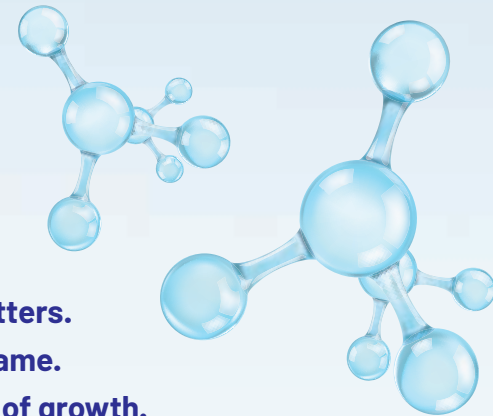
The division acts as a strong backward integration support, enhancing in-house raw material availability. Some of the basic raw materials include Beta Naphthol, Acetanilide, Para Nitro Aniline, Sulphuric Acid, Chloro Sulphuric Acid and Oleum, among others.

Clients we cater to

- Lanxess India Pvt. Ltd.
- Grasim Industries Ltd. (Chemical Division)
- Deepak Nitrite Ltd.
- Meghmani Organics Ltd.
- SRF Ltd.
- Gujarat Fluorochemicals Ltd.
- Vertelus Specialty Materials (India) Pvt. Ltd.
- Evonic Specialty Silica India Pvt. Ltd.
- Aksharchem India Ltd.
- Jay Chemicals Ltd.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) OVERVIEW

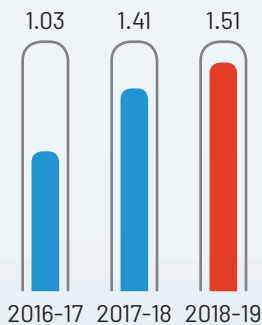


At Bodal, we have taken a sustainable value creation approach for our stakeholders to look in to the Environmental, Social and Governance matters. We identify the key issues and take appropriate measures to solve the same. This way, we along with our stakeholders have prospered in this journey of growth.

Environmental

Moving with the motive to reduce, recover and reuse the natural resources, we have come a long way in evolving our manufacturing process. We have been strictly complying with all the environmental norms which are supported by our strong in-house facilities equipped with Effluent Treatment Plant (ETP), multiple effect evaporator plant, Brine Treatment Plant and effluent spray dyer plant.

Pollution control expenses (%) of sales



Effluent treatment plant (ETP)

Through this process, the wastewater is purified to reuse or is safely discharged without polluting the environment. Our ETP system is GPCB and CPCB norm compliant with a water treatment capacity of five lakh litres a day.

Treats: Low load waste water

Multiple effect evaporator plant (MEEP)

Understanding the need of the water crisis around the globe, we installed MEEP facility at our three-plant site which is 'Integrated Zero discharge system'. It is used in evaporating water using the heat from the steam. The salt extracted from the process is captively used or sold. Cost is minimised as it consumes less power and holds a good durability power with a capacity of five lakh litres a day.

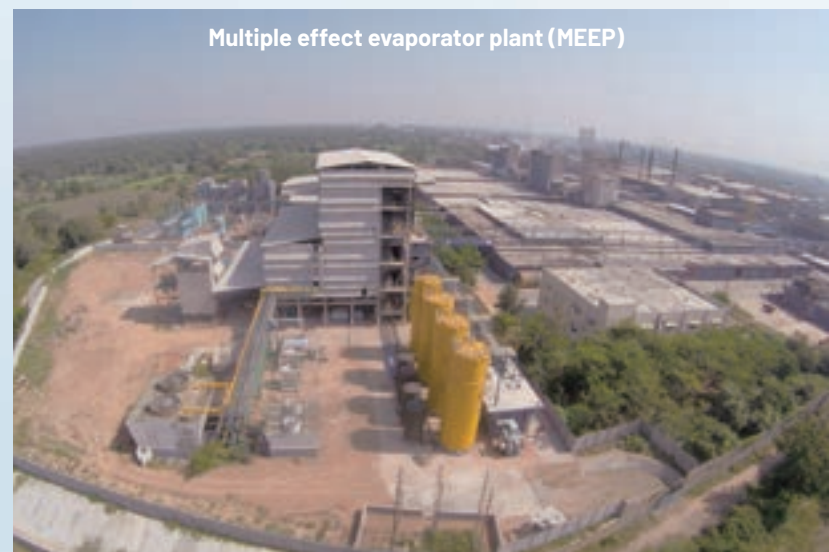
Treats: High load waste water

Brine Treatment Plant (World's First)

Bodal installed world's first Brine Treatment Plant at its Unit-VII at Padra, Gujarat for effluents treatment. It is based on Modern Water's all-membrane brine concentration process (AMBC). It is also a crucial part of an energy-efficient process for a highly saline organic-laden effluent stream from dyes manufacturing operations that achieves Zero Liquid Discharge (ZLD), meaning that all wastewater is purified and recycled at the end of the treatment cycle.

Effluent Spray Dryer Plant (ESDP)

We installed Spray dryer and Incinerators at three of our facilities put together with a capacity of 100,000 litres and 125,000 litres respectively each day. In Spray drying process, dry powder is produced from a



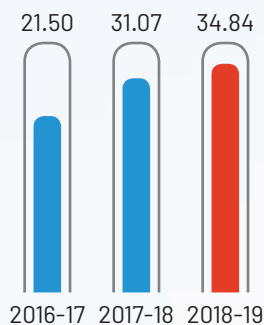
liquid by rapidly drying with a hot gas. While in Incinerators waste material is ignited into ash, flue gas or heat.

Treats: High load waste water beyond MEEP

Social

Our happiness hinges on the success of the communities around us. Thus, we aim to uplift the quality of life of the people in the vicinity with the help of the trust. To be a socially conscious firm, we ensured every social activity has been covered under our initiative:

CSR expenditure (₹ Million consolidated)



Promotion of education

We initiated various activities in different region in enhancing the school education. With the aim of improving their knowledge, we distributed books. Also, understanding the necessities required for education, we provided the students with essential supplies such as school shoes and uniform. Further, we strengthened the school infrastructure through hostel and library construction.



Social development and activities

- Environmental cleanliness is one of the burning issues of our nation. We responded to that issue by contributing in the biggest-ever cleanliness drive in India, Swachh Bharat Abhiyan.
- To commemorate the achievement, cherish the glory and sacrifices made by our Navy, we have contributed to 'Navy Week Fund'.
- We donated to 'Shree Narmada Sanskrit Ved Pathshala' to promote cultivation and enrichment of our Indian culture.

Healthcare

We have contributed towards different healthcare initiatives with the aim of improving the overall health and well-being of the society. With the help of the Trust, we contributed to the accommodation and rehabilitation charges of mentally retarded children with physical disabilities and also contributed funds for installation work of the drinking water facility at Tithor and Gametha village.

Other CSR activities

Several other activities were initiated in the fields of animal welfare and sports activities.

Governance

We maintain sound corporate governance through ethical standards and integrity. Our strong and experienced Management team remains committed to creating long term value for all our stakeholders as well as ensuring the perfect balance



of strategy, risk performance and sustainable development. Four pillars of our strong governance are:

Transparency of operations

Well-equipped R&D lab, strict quality adherence, trained employees, process control, best quality products and timely deliveries define the transparency of the organisation, which has led to strong customer relationship across the globe.

Disclosure of financials on time

We believe in disclosing everything by hiding nothing through our investor relations initiative on a quarterly basis. Ensuring every action of the Company is observed by the outsiders which in turn has helped the Company to gain trust from the shareholders.

Accountability

We as a responsible firm are answerable for our tasks and actions. Also, we believe in rewarding our people which includes executives as well as the staff for their performance.

Risk management and compliance

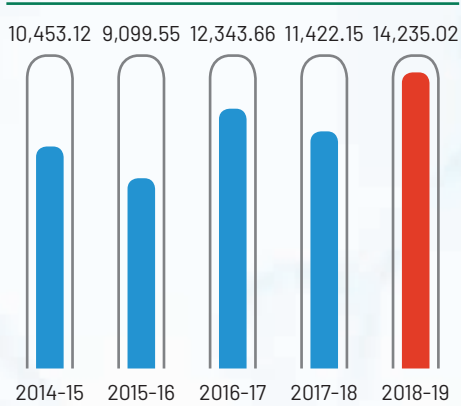
We have in place an effective risk management framework to identify, measure, examine, implement solution and monitor the result which is of utmost importance in chemical industry. Adherence to all the laws and regulations has helped us in our journey to expand our footprint across different countries and product line.



FINANCIAL HIGHLIGHTS (CONSOLIDATED)

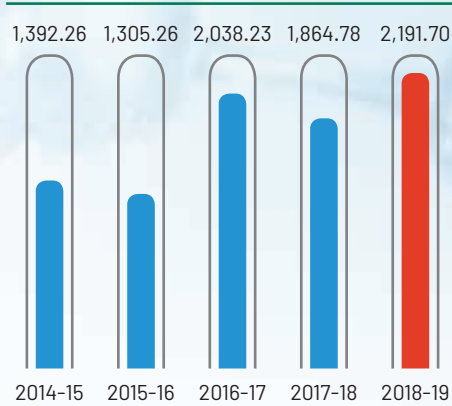
Revenue from operation

(₹ Million)



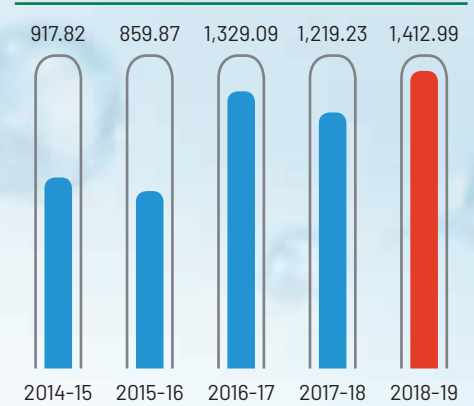
PBT

(₹ Million)



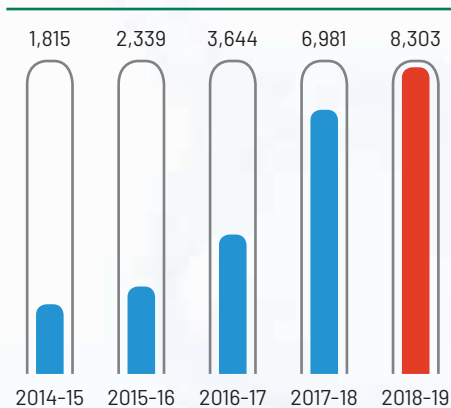
PAT

(₹ Million)

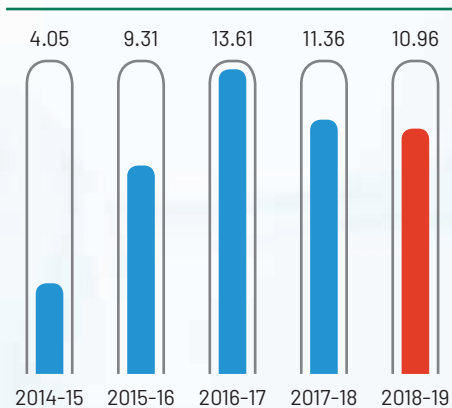


Net worth

(₹ Million)

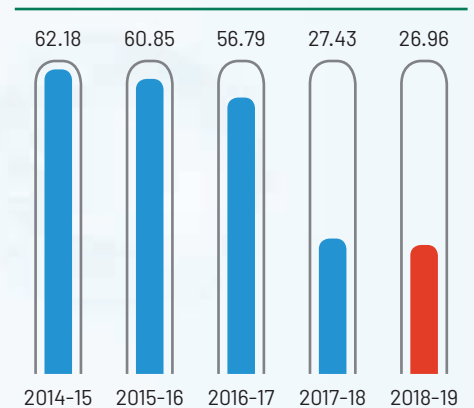


P/E ratio

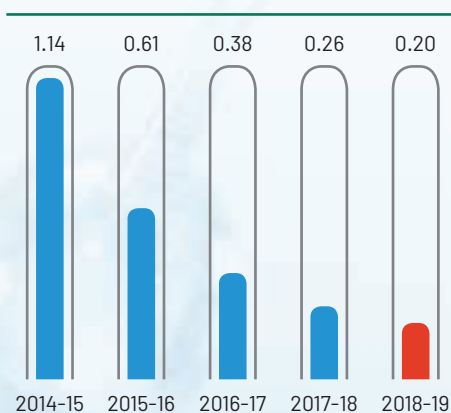


ROCE

(%)



Net Debt: Equity ratio



CORPORATE INFORMATION



BOARD OF DIRECTORS:

Mr. Suresh J. Patel	Chairman and Managing Director
Mr. Bhavin S. Patel	Executive Director
Mr. Ankit S. Patel	Executive Director
Mr. Sunil K. Mehta	Independent Director
Mr. Bipin R. Patel	Independent Director (up to 25-10-2018)
Mr. Nalin Kumar	Independent Director
Mrs. Neha Huddar	Independent Director
Dr. Parin D. Shah	Independent Director (w.e.f 29-12-2018 up to 05-07-2019)
Mr. Ram Prasad Srivasatava	Independent Director (w.e.f 13-08-2019)
Mr. Kishorkumar Radadia	Director – HSE (w.e.f 01-09-2019)

CHIEF FINANCIAL OFFICER

Mr. Mayur B. Padhya

COMPANY SECRETARY

Mr. Ashutosh B. Bhatt

REGISTERED OFFICE

Plot No.: 123-124, Phase-I, G.I.D.C. Estate, Vatva, Ahmedabad-382 445.

CORPORATE OFFICE

Bodal Corporate House, Beside Maple Green Residency, Near Anand Niketan school, Nr. Shilaj Ring Road Circle, Thaltej, Ahmedabad-380059.

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants
19th Floor, Shapath-V, B/s. Crowne Plaza Hotel,
Opp. Karnavati Club, S.G. Highway, Ahmedabad 380 015,
Gujarat, India

COMMITTEES OF BOARD

AUDIT COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mr. Nalin Kumar	Member
Mrs. Neha Huddar	member
Mr. Bhavin S. Patel	Member

STAKE HOLDER'S RELATIONSHIP COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mr. Nalin Kumar	Member
Mr. Bhavin S. Patel	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mrs. Neha Huddar	Member
Mr. Nalin Kumar	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Suresh J. Patel	Chairman
Mr. Ankit S. Patel	Member
Mr. Sunil K. Mehta	Member

SHARE TRANSFER COMMITTEE

Mr. Suresh J. Patel	Chairman
Mr. Bhavin S. Patel	Member
Mr. Ankit S. Patel	Member

BANKERS

Union Bank of India



BOARD'S REPORT

To

**The Members of
Bodal Chemicals Limited**

Your Directors have pleasure in presenting the “**33rd ANNUAL REPORT**” on the business and operations of the Company along with the Audited financial statement for the Financial Year ended 31st March 2019.

FINANCIAL RESULT

Financial Results of the Company for the year under review along with figures of the previous year are as follows:

(₹ in Millions)

year Ended 31st March	Standalone			Consolidated		
	2019	2018	Growth %	2019	2018	Growth %
Total Revenue	13,940	11,555	20.64	14,369	11,756	22.23
Earnings before Interest, Depreciation and Tax (EBIDTA)	2,477	2,085	18.80	2,495	2,039	22.36
Profit after Tax	1,441	1,275	13.02	1,413	1,219	15.91
Total comprehensive income	1,436	1,268	13.25	1,409	1,212	16.25
Earnings Per Share (EPS)(Basic)	11.78	11.11	6.03	11.56	10.62	8.85

Note: previous years' figures have been re-casted where ever necessary.

The Financial Year under Review 2018-19

PERFORMANCE DISCUSSION

The Financial Year 2018-19 is a year where your company has sustained well and as a group, during the Financial Year 2018-19, has performed well. During the year under review, group has achieved Total Revenue of ₹ 14,369 Million and has achieved growth of 22.23% compared to previous year Revenue of ₹ 11,756 Million. During the year under review EBIDTA and Profit after Tax of the Group were up by 22.36% and 15.91% respectively compared to previous year.

Though the challenges related to the reductions of prices of finished goods and increased cost of the raw materials, transportation cost etc. your company has been able to sustain the growth and that have been reflected in the top line and bottom line for current financial year and your company has achieved productivity gains, volume growth and sustained margins.

Bodal Chemicals Limited (BCL)

Bodal Chemicals Limited is the most integrated Dyestuffs Company in India and also the biggest manufacturer of Dye Intermediates in India. The Company's product range covers Dyestuffs, Dye Intermediates and Basic Chemicals broadly classified under Specialty Chemicals. It has a unique and integrated product line covering forward and backward integration to dye intermediates. It contributes about 20% of India's capacity and about 5% of the world's capacity for

Dye Intermediates. Out of the total production, about 44% is exported to over 45 countries across the world.

The Company is listed on BSE Ltd. (Bombay Stock Exchange) and National Stock Exchange of India Ltd. (NSE).

The broad areas of operations of the Company are as under:

Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal Chemicals has capacity of manufacturing more than 175 variants of Dyestuff which are principally used as raw materials in Textiles, Leather, Paper & other Dyestuff consuming industries

Dye Intermediates

Bodal is the largest manufacturer of Dye Intermediates in India and among the leading manufacturers of Dye Intermediates in the world. Bodal Chemicals has capacity of manufacturing up to 25 Dyes Intermediates products. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

Other/Basic Chemicals

Bodal is also a manufacturer of other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Naphthol and Acetanilide. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the Company.



BOARD'S REPORT (CONTD.)

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

During the period under review, Bodal Chemicals is having Four Subsidiaries, namely, 1) S P S Processors Pvt. Ltd., 2) Trion Chemicals Pvt. Ltd, 3) Bodal Chemicals Trading Pvt Ltd and 4) Bodal Chemicals trading Shijiazhuang Ltd (China), and pursuant to section 129(3) of the Companies Act, 2013 and Indian Accounting Standards-110 ("IND AS 110") issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiaries and form part of this Annual Report. A Statement containing the salient features of the financial statement of the Company's Subsidiaries, Associate(s) and Joint Ventures is enclosed as Annexure 1 in Form AOC-1 annexed to this Annual Report. In terms of provisions of sections 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the Subsidiaries Companies on the website of the Company- www.bodal.com

S P S PROCESSORS PVT. LTD. (SPS)

S P S Processors Pvt. Ltd. is a company engaged in manufacturing of dye intermediates.

Your Company is holding 70% equity stake in S P S Processors Pvt. Ltd, a subsidiary company of Bodal Chemicals Ltd.

SPS has a manufacturing plant located at Kosi, Uttar Pradesh, India having running operational capacity to produce 3,000 tons per annum (TPA) of H-Acid, a key Dye Intermediate. The manufacturing plant is a "zero discharge" unit and only about three and half year old.

S P S Processors Pvt. Ltd. also has all necessary permissions to manufacture Vinyl Sulphone another key Dye Intermediate, as well as Dyestuff, at the same plant.

With the available permissions, the Company is building a 6000 TPA Vinyl Sulphone plant. It is expected to start and stabilize production during 2019-20.

This investment will help the Company increase its manufacturing capacity of Dye Intermediates and consolidate its position in the local and global markets of Dye Intermediates and Dyestuff.

TRION CHEMICALS PVT. LTD. (TCPL)

During the current financial 2018-2019, your Company has made further investment in TCPL of ₹ 29.86 Million during the month of June 2018 and after the said acquisition the stake of Bodal Chemicals Ltd in TCPL is 59% and TCPL has become a subsidiary company of Bodal Chemicals Ltd.

TCPL had commissioned a plant to manufacture **Trichloroisocyanuric Acid (TCCA)**, falling under specialty Chemicals, at Neja, Near Khambhat, Gujarat. TCCA is a disinfectant - an algacide and bactericide used mainly by swimming pools and water treatment plants. It is also used as a bleaching agent by the textiles industry.

TCPL's TCCA plant is the first plant of this specialty chemical in India. TCPL's, falling under specialty Chemicals, business plan is focused on the US market. Company is targeting mainly USA market. It has already secured EPA licence in USA for environment protection.

BODAL CHEMICALS TRADING PVT LTD

Bodal Chemicals Trading Pvt Ltd, a Wholly Owned Subsidiary Company was incorporated in India on 07th December 2018. It was incorporated with object of trading in chemical products. The Company has Commenced commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

BODAL CHEMICALS TRADING SHIJIAZHUANG LTD (CHINA)

Bodal Chemicals trading Shijiazhuang Ltd, a Foreign Wholly Owned Subsidiary of the Company incorporated in China in 2018-19, for trading activities in Chemicals Product.

Apart from the trading activity within china, this company will become an important arm for bodal chemicals Ltd to distribute its final product i.e. dyestuffs in domestic market of China. This will also help sourcing of some raw materials from China to India. The Company has started commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.



BOARD'S REPORT (CONTD.)

CAPITAL STRUCTURE & LIQUIDITY

Authorised Share Capital

During the year under review, Authorised Share Capital of the Bodal Chemicals Ltd. is ₹ 52,00,00,000/- (Rupees Fifty Two Crores Only) divided into 13,50,00,000 (Thirteen Crores Fifty Lacs only) Equity Shares of ₹ 2/- (Rupees Two) each and 2,50,00,000 (Two Crores Fifty Lacs only) Preference Shares of ₹ 10/- (Rupees Ten) each.

Further, after end of financial year 2018-19, your company has reclassified its Authorised Share capital from above mentioned authorised capital to ₹ 52,00,00,000/- (Rupees Fifty Two Crores Only) divided into 16,00,00,000 (Sixteen Crores only) Equity Shares of ₹ 2/- (Rupees Two) each and 2,00,00,000 (Two Crores only) Preference Shares of ₹ 10/- (Rupees Ten) each.

Issued and paid up Share Capital

The Issued, Subscribed & Paid-up Equity Share Capital of the Company as at 31st March 2019 was ₹ 244.38 Million divided into 12,21,88,765 Equity Shares, having face value of ₹ 2 each.

Further, In Month of May-2019, your company has allotted 1,41,400 equity shares to the employees against the option granted under Employee Stock Option Scheme i.e. ESOP - 2017 and after that paid up share capital was stood at ₹ 244.66 Million divided into 12,23,30,165 Equity Shares, having face value of ₹ 2 each.

Employees Stock Option (ESOP/ESOS)

Member of the company had approved Employee stock option plan i.e. Bodal Chemical- ESOP 2017, in the Annual General Meeting held on 23-09-2017. Further, your company has granted 1,46,200 Number of options to the various employees of the company under the scheme. Details and summary of Employee Stock Options granted/vested/exercised during the year 2018-19 are given in "Annexure 2" to this report.

General Reserve

During the year under review, your Directors do not propose to transfer any amount to the General Reserve.

Term Loan and Working Capital

As on 31st March 2019, the Total Debt was ₹ 1,361.67 Million, cash and Cash Equivalents were ₹ 66.46 Million resulting in Net Debt of ₹ 1,295.22 Million (₹ 1,470.39 Million as on 31st March 2018) Total Debt consisted of ₹ 1,353.90 Million of

working capital loans and ₹ 7.77 Million of long-term loans, including long term loans maturing within 12 months of the balance sheet date.

RATINGS

The credit rating for the Company for last two years are as below: -

Type of Credit Rating	Ratings for 2017-18		Ratings for 2018-19	
	India Ratings	CARE Rating	India Ratings	CRISIL Rating
Long Term Bank Facilities	IND A+	CARE A	IND A+	CRISIL A+
Short Term Bank Facilities	IND A+	CARE A1	IND A1+	CRISIL A1+

DIVIDEND

During the 2018-19, the Company recommended Dividend of ₹ 0.80 per share (or 40% of face value ₹ 2), which will absorb ₹ 117.84 Million, including dividend distribution tax of ₹ 20.09 Million. Dividend will be paid on or after 20th September 2019.

During the 2017-18, the Company declared and paid Dividend of ₹ 0.80 (or 40% of face value ₹ 2) per share which had absorbed ₹ 117.65 Million, including dividend distribution tax of ₹ 19.90 Million.

TRANSFER OF UNCLAIMED SHARES & DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend that remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Un-claimed dividend which has been transferred to IEPF, has been disclosed in the Corporate Governance report forming part of Directors Report.

Further, In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations in FY 2019, the Company has transferred 75281 unclaimed shares belonging to 356 shareholders/ records, to the 'Unclaimed Suspense Account' opened by IEPF Authority with CDSL System with depository Participant SBI CAP Securities Ltd., for the purpose after following due process. Details of shares transferred to the suspense account, claimed during the year and balance as on 31st March 2019, are given below:

BOARD'S REPORT (CONTD.)

Sr. No	Particulars	Shareholders/ No of Records	No. of shares
1	Outstanding shares at the beginning of the year	3,314	6,12,835
2	Shareholders approached the Company for transfer	1	1000
3	Shareholders whose shares were transferred from suspense account	356	75,281
4	Outstanding shares at the end of the year	3,670	6,88,116

Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Furthermore, Shareholders may claim back the shares credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at www.mca.gov.in and www.iepf.gov.in.

CAPITAL EXPENDITURE

During the year under review, your company had successfully completed upgraded/ expansion of following manufacturing facilities and, during the month of March 2019, commercial production has also been started at the Unit VII situated at Vilage Dudhwada, Padara, Vadodara. Furthermore, capacity utilisation will gradually increase in the current financial year 2019-20. The details of the plants are mentioned as below;

1. Your Company has completed Expansion of Dyestuff plant by 6,000 Metric Tons Per Annum (MTPA). After the said Expansion, the total capacity of Dyestuff plants of the Company stands at 35,000 MTPA, excluding Liquid Dyestuff.
2. Your Company has completed facility for production of Thionyl Chloride (TC) Plant for 36000 Metric Tons Per Annum (MTPA).

PUBLIC /FIXED DEPOSITS

The Company has not accepted any deposit during the financial year under review. There were no deposits remaining unpaid/ unclaimed as at the end of the financial year 2018-19 and as such no amount of principal or interest was outstanding, as on the date of the balance sheet.

LISTING OF SECURITIES

Bodal Chemicals has 122330165 Equity Shares of ₹ 2 each fully paid, listed on the National Stock Exchange (NSE) and

Bombay Stock Exchange (BSE). The Company confirms that it has paid annual listing fees for the financial year 2019-20 to both the Exchanges where the Company's equity shares are listed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors' Appointment, Retirement and Resignation

Bodal Chemicals has 7 (Seven) Directors including 3 (Three) Executives Director and 4 (Four) Independent Directors including women a Director.

APPOINTMENT OF DIRECTORS

On the recommendation of the Nomination and Remuneration Committee, Dr. Parin D Shah (having DIN: 08313035) was appointed as an Additional Director of the Company with effect from 29th December 2018. Further note that Dr. Parin D. Shah has resigned from post of Additional Director of the Company w.e.f. 05th July 2019.

On the recommendation of the Nomination and Remuneration Committee, Mr. Ram Prasad Srivastava (having DIN: 02227457) was appointed as an Additional Director of the Company with effect from 13th August 2019. In accordance with Section 161 of the Companies Act, 2013, Mr. Ram Prasad Srivastava will hold office upto the date of the ensuing AGM of the Company and being eligible, offers his candidature for appointment as a Director accustomed to act as an Independent Director, on the Board of the Company for 5 years w.e.f. 13th August 2019. Your approval for his appointment as Independent Director has been sought in the Notice convening the ensuing AGM of the Company.

On the recommendation of the Nomination and Remuneration Committee, Board has re-appointed Mr. Ankit S Patel (DIN: 02173231) as Executive Director for a period of 5 (Five) years with effect from 23rd May 2019. His appointment is subject to approval of Members of the Company and your approval has been sought for the same in the Notice convening the forthcoming AGM of the Company.

On the recommendation of the Nomination and Remuneration Committee, Board has appointed Mr. Kishorkumar Radadia (DIN: 08532580) as Director - HSE for a period of 5 (Five) years with effect from 01st September 2019. His appointments is subject to approval of Members of the Company and your approval has been sought for the same in the Notice convening the forthcoming AGM of the Company.

BOARD'S REPORT (CONTD.)

Mr. Bhavin S. Patel, Executive Director, retires by rotation at the ensuing Annual General Meeting. He, being eligible, offers himself for re-appointment. None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013. Details of all the Directors have been covered in the Corporate Governance Report which forms a part of the Annual Report.

For the perusal of Shareholders, a brief resume of all the above Directors, nature of their expertise, their shareholding in the Company and other required details are given in the section of the Corporate Governance Report, which forms a part of the Director's Report in the Annual Report.

RESIGNATION OF DIRECTOR

Mr. Bipin R Patel, (having DIN: 01186974) Director accustomed to act as an Independent Director, resigned from the post of Director (Independent) of the Company with effect from 25th October 2018 and the Board of Directors took note of the same at the Board Meeting held on 25th October 2018. The Board of Directors places on record their deep appreciation of the valuable guidance and immense contribution made by Mr. Bipin R Patel during his tenure as Independent Director of the Company.

Further, Mr. Bipin R Patel, (DIN: 01186974) Independent Director resigned as Independent Director and member/chairman from all committees due to his pre-occupancy, age and willing to devote more time to Social work. Further, Mr. Bipin R Patel has provided confirmation that there are no such material reasons other than those provided in his resignation letter.

Dr. Parin D. Shah. (having DIN: 08313035), Additional Director accustomed to act as Independent Director of the Company, resigned from the post of Director (Independent) of the Company with effect from 05th July 2019 and the Board of Directors took note of the same at the Board Meeting held on 12th July 2019. The Board of Directors places on record their deep appreciation of the valuable guidance and immense contribution made by Dr. Parin D. Shah during his tenure as Independent Director of the Company.

Further, Dr. Parin D. Shah. (DIN: 08313035), Independent Director resigned as Independent Director and member/chairman from all committees due to coming across the opportunity(job) in government sector and as per terms and Conditions related to service of Government he is restricted to continue as independent Director or associate with the

any organisation/Companies (either in Executive or Non-Executive basis). Further, Dr. Parin D. Shah has provided confirmation that there are no such material reasons other than those provided in his resignation letter.

KEY MANAGERIAL PERSONNEL

Mr. Suresh J Patel, Chairman and Managing Director (DIN:0007400), Mr. Bhavin S Patel, Executive Director (DIN:0030464), Mr. Ankit S Patel, Executive Director (DIN:02173231), Mr. Mayur B Padhya, Chief Financial Officer and Mr. Ashutosh B Bhatt, Company Secretary and Compliance Officer (FCS No.: 9516) are the Key Managerial Personnel of the Company as on the date of this Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all Independent Directors that they meet the Criteria of Independence as laid down in Section 149 (6) of the Companies Act, 2013 and regulations 27 (2) of the SEBI (LODR) regulations, 2015 (Listing regulations). There were no pecuniary transactions entered into with the Independent Directors apart from sitting fees.

REMUNERATION OF DIRECTORS AND KMP

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, disclosures pertaining to remuneration of Managerial employees, a Statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as **Annexure 3** which forms part of this Report.

Further note that, your company has revised the remuneration payable to the Chairman and Managing Director and Executive Directors w.e.f 01st April 2019. Details of the revision of remuneration are mentioned in the notice of the AGM and will also be placed for the approval of members of the Company in the ensuing AGM

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations which is explained in Corporate Governance Report and which forms a part of the Board's Report.



BOARD'S REPORT (CONTD.)

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has an ongoing programme where Directors in the course of meetings of the Board of Directors give information about Chemical Business developments, Expansion of the Company and various amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (LODR) regulations, 2015 (herein referred to as "Listing Agreement"), Prohibition & Insider trading regulations, and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company.

Details of the same are available on the website of the Company- www.bodal.com

DIVERSITY OF THE BOARD

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-www.bodal.com and its weblink https://bodal.com/live.php?data=6_L12

BOARD MEETINGS

During the year under review, 5(Five) meetings of the Board of Directors were held. Details of the Composition of the Board and its committees and meetings held and attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on 06th February 2019 without the presence of Non-Independent Directors and the members of management. In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the following matters were, inter-alia discussed in the meeting:

- Review the performance of Non-Independent Directors and the Board as a whole
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors.

- Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties

BOARD'S ANNUAL EVALUATION

In terms of the requirements of the Companies Act, 2013, and the Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and the Directors. The Evaluation framework adopted by the Board is set out in the Corporate Governance Report.

AUDITORS

STATUTORY AUDITORS

Your Directors recommend, as identified and suggested by the Audit Committee of the Company to continue with M/s Deloitte Haskins & Sells LLP, (FRN No. 117366W/W-100018) as statutory Auditor of the Company for 2019-20, subject to approval of the Members of the Company, to hold office from the conclusion of the Thirty Three (33rd) Annual General Meeting until the conclusion of the Thirty Forth (34th) Annual General Meeting of the Company.

The Company has received a certificate from the Auditors stating that their appointment, if made, will be within the limit specified under Sections 139 and 141 of the Companies Act, 2013.

The report of the Statutory Auditors along with Notes to Schedules is enclosed with this Report. The Auditor's Comments on the Company's Accounts for the financial year ended on 31st March, 2019 are self explanatory in nature and do not require any explanation as per provisions of Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS

M/s. Rashmin R. Patel & Co., Chartered Accountants (FRN: 132265W), Ahmedabad are Internal Auditors of the Company. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditors report their findings on the internal audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.



BOARD'S REPORT (CONTD.)

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Tapan Shah, Practising Company Secretary as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2018-19.

The Report of Secretarial Auditor for the financial year 2018-19 is set out as **Annexure 4** and it forms a part of this Report.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed cost audit related to the Company's product Dye Intermediates and Dyes. Based on this requirement and the recommendation made by the Audit Committee, the Board of Directors has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor for the Financial Year 2019-20. The Company has received a written certificate from the Cost Auditor stating that their re-appointment, if made, would be within the prescribed limits under sections 141 of the Companies Act, 2013. The Cost Audit report for the 2017-2018 has been filed within the prescribed time limits. The Cost Auditor's Report does not contain any qualification, reservation or adverse remark. Further, remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included as **Item No. 05** of the Notice convening the Annual General Meeting.

During the year under review, the statutory auditors, secretarial auditors and cost auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review is presented in a separate section, forming part of the Annual Report.

CORPORATE GOVERNANCE

Bodal Chemicals Ltd. is committed to ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. The

Company understands and respects its fiduciary duty to all stakeholders and strives to meet their expectations. The core principles of independence, accountability, responsibility, transparency, fair and timely disclosures serve as the basis of the Company's approach to Corporate Governance.

Report on Corporate Governance is annexed and forms an integral part of this Annual Report. Certificate from Mr. Tapan Shah, Company Secretary in practice, regarding compliance of conditions of Report on Corporate Governance as stipulated in the Listing Regulations is also appended to the Report on Corporate Governance.

SECRETARIAL STANDARDS

Secretarial Standards for the Board and General Meetings (SS-1 & SS-2) are applicable to the Company. The Company has complied with the provisions of both these Secretarial Standards.

INDUSTRIAL RELATIONS & HUMAN RESOURCES

Industrial relations at all divisions of your Company have always been cordial and continue to be so. Your Directors wish to place on record their appreciation for the co-operation received from employees at all levels.

HUMAN RESOURCES

We continue to believe that our organisational plans are fueled by our employees. It is critical to have credible and transparent management practices and policies. The Human Resources agenda focuses on employee welfare, engagement, productivity and performance as a priority. As your company has taken agenda for the "NEXT PHASE" since 2015-2016 & "Shaping the Future" since 2016-2017, we are continuously working for achieving those milestones. The Company focused on building the capabilities and scaling up in the existing manufacturing facility. We believe nurturing a high performance culture is imperative. Your Company is proud to have talent which is varied and deep in its experiences and expertise across manufacturing, administration, finance, marketing, R & D, sales and other functions.

To building up capability and competency of team members this year we have focus more and more on the training, development and also it will be continue in coming years. In the 2018-19, HR, Safety & OHC departments organised 93 training programs on different topics and total 851 team

BOARD'S REPORT (CONTD.)

members were participated in the same. This year we have designed "Health Gallery" where our company doctor will counsel our team members on their personal health related issues.

HEALTH, SAFETY AND ENVIRONMENT

During the 2018-19 our focus on safety, health and environment ("SHE"), is key for our sustainable growth. We have established safety department with the unique model of Plant Safety Officers for the better focus, who dedicatedly work for the development of safety culture in the organisation. Also we have plant wise safety representatives; those are trained on regular basis on different safety topics through classroom training, on the job training and mock drills. This year also we have integrated near misses, unsafe observations and operational incidents in the Safety Training.

To address the health aspects, we have an in-house occupational health center with full time doctors and medical representatives for 24 hours. Infrastructure wise our OHC center is fully equipped along with ambulance. We also conduct pre medical check-up, annual medical check-up and special camps for our employees. This year our Medical Team has also initiated "Health Gallery" where our Company Doctor Counsel individuals on their personal health issues.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

You company has issued postal ballot notice for approval of the members of the Company for Preferential issue to the Promoters/Promoters Group and to the non-promoters and result has declared by company on 28th June, 2019 and allotted Equity Warrants to the proposed allottees in Board Meeting held on 12th July 2019 and has received 25% amount of total price of Equity warrant amounting ₹ 413.25 Million.

EXTRACT OF THE ANNUAL REPORT

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return of the Company in Form MGT-9 is annexed herewith as Annexure 5 to this Annual Report.

ENVIRONMENT PROTECTION

The Company has undertaken various environment friendly measures in its different Units for promoting a better environment. The Company has in place adequate pollution control equipments and all the equipments are in operation.

GREEN INITIATIVE

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

SAFETY & WELLBEING OF WOMEN AT THE WORK PLACE

Bodal Chemicals Ltd. has taken various initiatives to ensure a safe and healthy workplace for its women employees. The Company has zero tolerance of sexual harassment at the work place and is fully compliant with the prevailing laws on the prevention of sexual harassment of women at the workplace. As per the provisions of Sections 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Report on the details of the number of cases filed under sexual harassment and their disposal is as under:

Sr. No.	Complaints Under Sexual Harassment (From 01-04-2018 To 31-03-2019)	Status
1	Number of Complaints/Cases pending as at the beginning of 2018-19 i.e. 01-04-2018	NIL
2	Number of Complaints/ Cases filed during the year (from 01-04-2018 to 31-03-2019)	NIL
3	Number of Complaints/ Cases as at the end of 2018-19 i.e. 31-03-2019	NIL

VIGIL MECHANISM AND WHISTLEBLOWER POLICY

The provisions of Section 177(9) and (10) of the Companies Act, 2013 mandates every listed company to establish vigil mechanism for Directors and employees. Bodal Chemicals Ltd. has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. Details of complaints received and the action taken

BOARD'S REPORT (CONTD.)

are reviewed by the Audit Committee. No concerns or irregularities have been reported by employees/directors till date.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Company's personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the Company's website and its web link https://bodal.com/live.php?data=6_I2

ANNUAL ACCOUNTS OF SUBSIDIARIES COMPANIES

The Accounts of the Subsidiary Companies for the financial year ended on 31st March 2019 will be made available to any shareholder of the Company on request and will also be available for inspection at the registered office of the Company during working hours till the date of the Annual General Meeting.

Statement containing salient features of financial statements of subsidiaries and Associates pursuant to section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this Report in the prescribed Form AOC-1, as "Annexure 1"

The Audited Financial Statements of Company's subsidiaries for financial year 2019 are available on the Company's website at www.bodal.com and the same are also available for inspection at the Registered Office of the Company. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has laid down policy on material subsidiaries and none of the subsidiary is material subsidiary as per the Policy. The policy is placed on the website of the Company and its weblink is https://bodal.com/live.php?data=6_I2

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under section 134(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure 6 to this Report.

RISK MANAGEMENT & INTERNAL CONTROL

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This

framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

The Company deploys robust system of internal controls commensurate to the size of the Company and the complexities of its operations. These systems facilitate fair presentation of its financial results in a manner that is complete and reliable, ensure adherence to regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and consistent communication with investors.

The Internal Auditors of the Company conduct financial, compliance and process improvement audits each year. The Audit Committee oversees the scope and evaluates the overall results of these audits, and members of that Committee regularly attend meetings of Board of Directors. The Audit Committee also reviews the adequacy and effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies, if any, to the Audit Committee and rectify the same.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company had not provided any corporate guarantee on behalf of others.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR Policy primarily rests on three broad tenets viz., Healthcare, Education & Community welfare and the same is within the ambit of Schedule VII of the Act. During the year, Company continued several initiatives under the CSR program, directly as well as through agency namely YUVA Unstoppable permitted under the Act. Details of CSR policy and CSR activities undertaken during the year is annexed to this report as "Annexure 7" and forms part of this Report



BOARD'S REPORT (CONTD.)

RELATED PARTY TRANSACTIONS

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

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction Policy for the purpose of identification and monitoring of such transaction. The Related Party Transaction policy is placed on the Company's website www.bodal.com and its web link- https://bodal.com/live.php?data=6_I2

Particulars of Contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013, are disclosed in Form AOC-2 as **Annexure 8**.

INSURANCE

The Company's assets are adequately insured.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended on 31st March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the financial year ended on 31st March 2019 on a going concern basis;
- (e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with provisions of all the applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels which was instrumental in sustained performance of the Company. Your Directors also sincerely thank all the stakeholders, professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, cooperation and support.

For and on behalf of the Board of Directors of
Bodal Chemicals Limited

Suresh J. Patel

Chairman & Managing Director

(DIN: 00007400)

Place : Ahmedabad

Date : August 13, 2019



ANNEXURE 1 : AOC - 1 TO THE DIRECTORS' REPORT

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A" - SUBSIDIARY & ASSOCIATE

(₹ in Millions)

Particulars	Subsidiary Co.,	Subsidiary Co.,	Wholly Owned Subsidiary Co.,	Foreign Wholly Owned Subsidiary Co.,
Name of the Subsidiary & Associate Co.,	S P S Processors Pvt. Ltd	Trion Chemicals Pvt. Ltd	Bodal Chemicals Trading Pvt Ltd	Bodal Chemicals trading Shijiazhuang Ltd (China)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-March-2019	31-March-2019	31-March-2019	31-March-2019
Reporting currency for the subsidiary	Indian Rupees	Indian Rupees	Indian Rupees	RMB
Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31 March 2019 (')	N.A.	N.A.	N.A.	1 RMB = ₹ 10.3064
Share Capital	16.23	99.86	0.10	1.73
Reserves & Surplus	37.53	(162.08)	0.04	(0.97)
Total Assets	720.74	813.57	172.33	1.76
Total Liabilities (excluding Share Capital and Reserves & Surplus)	666.98	875.79	172.19	1.00
Investments	Nil	Nil	Nil	Nil
Turnover	801.96	158.98	151.70	0.04
Profit before taxation	22.87	(107.38)	0.06	(0.97)
Provision for taxation	6.48	(27.74)	0.02	Nil
Profit after taxation	16.39	(79.64)	0.04	(0.97)
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	70%	59%	100%	100%

PART "B" - JOINT VENTURES: NONE

For and on behalf of the Board of Directors of **Bodal Chemicals Limited**

Place : Ahmedabad
Date : August 13, 2019

Suresh J. Patel
Chairman & Managing Director
(DIN: 00007400)

ANNEXURE 2

TO THE DIRECTORS' REPORT

Employee Stock Option Scheme

Summary of Employee Stock Option Schemes('ESOS')

For the Period from 01/04/2018 to 31/03/2019

Sr. No.	Particulars of Options / Scheme	ESOP 2017	Total
1	Outstanding as at beginning of the Period	1,46,200	1,46,200
2	Granted during the Period	0	0
3	FORFEITED during the Period	0	0
4	CANCELLED during the Period	0	0
5	Lapsed during the Period	0	0
6	Exercised during the Period	0	0
7	ALLOTTED during the Period	0	0
8	Number of shares arising as a result of exercise of options	0	0
9	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	0	0
10	Number of options vested during the Period	1,46,200	1,46,200
11	Outstanding as at the end of the Period	1,46,200	1,46,200
12	Exercisable at the end of the Period	1,46,200	1,46,200
13	Weighted average remaining contractual life (in years)	0	0
14	Weighted average fair value of options granted	0	0

ANNEXURE 3 TO THE DIRECTORS' REPORT

Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the 2018-19	% increase/(decrease) in remuneration in the 2018-19
Executive/Whole Time Directors			
I	Mr. Suresh J Patel	47.19:1	Nil
II	Mr. Bhavin S Patel	31.46:1	Nil
III	Mr. Ankit S. Patel	31.46:1	Nil
Independent Directors have been paid only sitting fees during 2018-19 and hence the Ratio to Median Remuneration has not been shown for Independent Directors.			
IV	Mr. Mayur B Padhya, Chief Financial Officer	N.A.	11.11%
V	Mr. Ashutosh B Bhatt, Company Secretary and Compliance officer	N.A.	27.87%
2	The percentage increase in the median remuneration of employees in the financial year		8.54%
3	The number of permanent employees on the rolls of company		1463
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of employees for the 2018-19 was 8.54% against which the increase in managerial remuneration was 7.80%. There is no increase in the remuneration of Managing Director and Executive Directors of the Company hence, percentile Increase in median remuneration and that of managerial personnel is not possible for the current year.	
5	Affirmation that the remuneration is as per the remuneration policy of the Company		YES

Particulars of Employees in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Employed throughout the financial year with salary above ₹ 102 Lacs p.a.

Name of Employee	Mr. Suresh J. Patel
Designation	Chairman and Managing Director
Remuneration	1,08,00,000.00
Commission	4,35,00,000.00
Nature of Employment	Permanent
Qualification	Bachelor in Science (B.Sc.)
Date of Commencement of Employment	01/06/2005
Age	62
Previous Employment	NA
% of Equity Shares held in the Company	30.37% as on 31-March-2019

- ii. Employed part of the Financial year with average salary above ₹ 8.50 Lacs per month: **NA**
- iii. Employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company. **NA**

ANNEXURE 3 TO THE DIRECTORS' REPORT (CONTD.)

iv. The name of Top 10 (Ten) Employees in terms of remuneration:

Bodal Chemicals Ltd.-Top 10 Employees Details													
Sr. No	Employee Code	Name of Employee	Designation	Birth Date	Date of Commencement of Employment	Per Month Remuneration (CTC)	Annual Remuneration (CTC)	Nature of Employment	Qualification & Experience	Age	Last employment	% of Equity Share held by Employee	Whether employee is relative of any Director or Manager
1	5000249	PRASAD HARI PUJARI	HEAD SULPHUR	17-Apr-63	11-Sep-08	4,24,509	5094108	ON ROLL	M.CHEM. ENGG.	56	Dharmashi Moraji Chemical Co. limited	0	N.A.
2	B242	MAYUR BACHUBHAI PADHYA	Chief Financial Officer	4-May-71	1-Apr-13	4,16,667	5000004	ON ROLL	CA, CMA, B.com	48	Hi-Rel Electronics Pvt Ltd	0.14	N.A.
3	5000347	V K SASIDHARAN K SASIDHARAN	V.P TEC	15-Apr-50	1-Jul-09	373383	4480596	ON ROLL	B.E. METROLOGY	69	Dharmashi Moraji Chemical Co. limited	0	N.A.
4	5001226	UDAY NARANBHAI PATEL	General Manager - Project (Div-Caustic Chlorine)	19-Jan-78	4-Feb-19	2,75,000	3300000	ON ROLL	B.E. CHEMICAL	41	RSPL Limited	0	N.A.
5	B252	BIPINBHAI CHANDULAL PATEL	HEAD PRODUCTION-DYESTUFF DIVISION	6-Jun-67	8-Mar-19	2,70,000	3240000	ON ROLL	B.Sc.	52	Fumochem Pvt. ltd	0	N.A.
6	D01	RAKESHBHAI RAVJIBHAI PATEL	President - Technical & Production	20-Jun-64	1-Jun-07	2,50,000	3000000	ON ROLL	B.Sc.	55	NA	0.04	Brother - in - Law
7	5001157	WARIS AKHIL M. SUBHAN CHAUDHARY	SR.GENERAL MANAGER (PROJECT)	12-Oct-62	29-Dec-16	2,30,000	2760000	ON ROLL	DME, ME(MECH)	57	PAITHAN MEGA FOOD PARK PVT LTD	0	N.A.
8	B238	BANSIBHAI MAGANBHAI PATEL	President Production & technical	13-Dec-59	1-Apr-13	2,00,000	2400000	ON ROLL	M.SC	60	Shyam intermediates	0.03	N.A.
9	PD025	ANIL P.L. DUGAAL	General Manager	4-Aug-61	7-Sep-11	1,88,792	2265504	ON ROLL	MBA	58	Meghmani Organics Ltd	0	N.A.
10	B247	AMIT BALMUKUND ACHARYA	General Manager	10-Sep-79	17-Aug-15	1,83,433	2201196	ON ROLL	MBA (HR&IR), LLB	40	Apothecon Pharmaceuticals Pvt Ltd	0	N.A.

ANNEXURE 3 TO THE DIRECTORS' REPORT (CONTD.)

- v. Variations in the Market Capitalisations of the Company as at the Closing date of the Current Financial Year (2018-19) and Previous Financial Year (2017-18):

Date /Particulars	Issued Capital (No. of Equity Shares)	Closing Market Price per share ₹ (sourced taken from www.nse.com)	Market Capitalisation (₹ In Crores)
31-03-2018	12,21,88,765	120.60	1,473.60
31-03-2019	12,21,88,765	126.75	1,548.74
Increase/Decrease	NA	6.15	75.14

Note: Variation in the market Capitalisation of the Company is increase from ₹ 1473.60 Crores to ₹ 1548.74 Crores as comparison of Closing date of the Current Financial year (2018-19) and Closing date of the Previous financial year (2017-18).

ANNEXURE 4

SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2019

[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,

BODAL CHEMICALS LTD.

CIN : L24110GJ1986PLC009003

Plot No. 123-124, Phase-1, GIDC, Vatva,

Ahmedabad - 382 445

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bodal Chemicals Ltd.** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS - 1 and SS - 2).

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Chemical Industry, apart from Environment, Pollution and safety related compliances, Narcotics Law 1985 is applicable to the Company, for which examination of the relevant documents and records, on test check basis has been carried out.

ANNEXURE 4 : SECRETARIAL AUDIT REPORT (CONTD.)

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings; and
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;

I further report that –

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

I further report that –

Based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that –

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally 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.

During the year, all decision in the Board Meetings were carried unanimously.

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

- i. The company has made further investment in a Trion Chemicals Pvt Ltd. and acquired stake about 59% and made the same Company as subsidiary company of Bodal Chemicals Ltd.
- ii. The Company has formed new wholly owned subsidiary Companies in China and made investment to the extent of USD 1.5 Millions. The Company further intend to form new wholly owned subsidiary companies in Turkey and Bangladesh.
- iii. Company has incorporated a wholly owned subsidiary Company in India, namely "Bodal Chemicals Trading Pvt Ltd" and made investment up to ₹ 1 Lacs.
- iv. During the year, there was a disruption of operations in some units due to the incident of Leakage of Anomia in Unit-1 of the company, which has lead to inspection of all the Units by G.P.C.B. and closure of some units of the Company. Subsequent to that, before close of financial year, all the units were in operation and production was normal.
- v. In the last AGM held on 17th September 2018, Mr. Suresh Patel, Chairman and Managing Director and Mr. Bhavin Patel, Executive Director of the Company were re-appointed for further period of 2 years and 5 years, respectively.

Name of Company Secretary in practice

Tapan Shah

Place : Ahmedabad

FCS No. : 4476

Date : August 13, 2019

C P No. : 2839

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

SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2019

[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,
BODAL CHEMICALS LTD.
CIN : L24110GJ1986PLC009003
Plot No. 123-124, Phase-1, GIDC, Vatva,
Ahmedabad - 382 445

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in practice

Tapan Shah

FCS No. : 4476

C P No. : 2839

Place : Ahmedabad

Date : August 13, 2019

ANNEXURE 5 TO THE DIRECTORS' REPORT

MGT 9

Extract of Annual Return as on financial year ended on 31st March 2019

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

I Registration and Other Details	
i) CIN	L24110GJ1986PLC009003
ii) Registration Date:	24th September, 1986
iii) Name of the Company:	BODAL CHEMICALS LIMITED
iv) Category / Sub-Category of the Company	Company limited by Shares
v) Address of the Registered Office and contact details	PLOT NO 123 AND 124 PHASE -1 GIDC VATVA AHMEDABAD GJ 382445 IN Phone No: 079 - 25835437
vi) Whether listed company	YES
vii) Name, Address and Contact details of Registrar & Share Transfer Agents (RTA)	M/s. Link Intime India Pvt Ltd. UNIT: BODAL CHEMICALS LTD Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre - 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad - 380 009 ahmedabad@linkintime.co.in Phone No: 079 - 2646 5179
II Principal Business Activities of the Company	
All the business activities contributing 10 % or more of the total turnover of the company shall be stated	As per Annexure A
III Particulars of Holding, Subsidiary and Associate Companies	
As per Annexure B	
IV Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)	
As per Annexure C	
i) Category-wise Shareholding	
ii) Shareholding of Promoters	
iii) Change in Promoters' Shareholding (please specify, if there is no change)	
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	
v) Shareholding of Directors and Key Managerial Personnel:	
V INDEBTEDNESS	
Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Annexure D
VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
As per Annexure E	
i) Remuneration to Managing Director, Whole-time Directors and/or Manager	
ii) Remuneration to other Directors	
iii) Remuneration to Key Managerial Personnel other than Managing Director/ Manager/Whole-time Director	
VII Penalties / Punishment/ Compounding of Offences	
As per Annexure F	



ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

ANNEXURE A

II Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	VINLY SULPHONE ESTER	20119	21.69
2	H ACID	20119	15.42

ANNEXURE B

III Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Trion Chemicals Pvt Ltd PLOT NO 123 AND 124 PHASE -1 GIDC VATVA AHMEDABAD GJ 382445 IN	U51900GJ2009PTC056781	Subsidiary	59%	2(87)(ii)
2	S P S Processors Pvt Ltd P-100LANE NO-6 SHANKAR NAGAR EXT DELHI DL 110051 IN	U18201DL2002PTC115883	Subsidiary	70%	2(87)(ii)
3	Bodal Chemicals Trading Pvt Ltd PLOT NO 123 AND 124 PHASE -1 GIDC VATVA AHMEDABAD GJ 382445 IN	U51597GJ2018PTC105513	Wholly Owned Subsidiary	100%	2(87)(ii)
4	Bodal Chemicals trading Shijiazhuang Ltd-China		Wholly Owned Subsidiary	100%	2(87)(ii)

ANNEXURE C

I) Category-wise shareholding

Sr No	Category of Share Holder	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	5,65,33,259	0	5,65,33,259	46.27	6,05,85,042	0	6,05,85,042	49.58	3.32
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0.00	0
(d)	Any Other (Specify)									
	Sub Total (A)(1)	5,65,33,259	0	5,65,33,259	46.27	6,05,85,042	0	6,05,85,042	49.58	3.32



ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

Sr No	Category of Share Holder	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	1,05,81,700	0	1,05,81,700	8.66	1,06,81,174	0	1,06,81,174	8.74	0.08
(b)	Government	0	0	0	0	0	0	0	0.00	0
(c)	Institutions	0	0	0	0	0	0	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0.00	0
(e)	Any Other (Specify)									0
	Sub Total (A)(2)	1,05,81,700	0	1,05,81,700	8.66	1,06,81,174	0	1,06,81,174	8.74	0.08
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	6,71,14,959	0	6,71,14,959	54.93	7,12,66,216	0	7,12,66,216	58.32	3.40
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	80,34,057	0	80,34,057	6.58	72,98,702	0	72,98,702	5.97	-0.60
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0
(e)	Foreign Portfolio Investor	90,37,999	0	90,37,999	7.40	76,11,011	0	76,11,011	6.23	-1.17
(f)	Financial Institutions / Banks	1,05,960	0	1,05,960	0.09	1,43,449	0	1,43,449	0.12	0.03
(g)	Insurance Companies	0	4,000	4,000	0.00	0	4,000	4,000	0.00	0
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	1,71,78,016	4,000	1,71,82,016	14.06	1,50,53,162	4,000	1,50,57,162	12.32	-1.74
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0
	Sub Total (B)(2)	0	0	0	0	0	0	0	0.00	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2,22,71,698	8,55,835	2,31,27,533	18.93	2,14,69,574	6,75,429	2,21,45,003	18.12	-0.80
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	47,88,517	0	47,88,517	3.92	56,79,636	0	56,79,636	4.65	0.73
(b)	NBFCs registered with RBI	0	0	0	0.00	14,104	0	14,104	0.01	0.01
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00



ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

Sr No	Category of Share Holder	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	IEPF	6,12,835	0	6,12,835	0.50	6,88,116	0	6,88,116	0.56	0.06
	Trusts	34,650	0	34,650	0.03	33,650	0	33,650	0.03	0.00
	Foreign Nationals	6,993	0	6,993	0.01	6,042	0	6,042	0.00	0.00
	Hindu Undivided Family	11,70,798	0	11,70,798	0.96	12,86,489	0	12,86,489	1.05	0.09
	Non Resident Indians (Non Repat)	4,11,382	3,285	4,14,667	0.34	4,41,827	3,115	4,44,942	0.36	0.02
	Non Resident Indians (Repat)	12,34,106	0	12,34,106	1.01	12,25,833	0	12,25,833	1.00	-0.01
	Clearing Member	6,89,295	0	6,89,295	0.56	3,93,655	0	3,93,655	0.32	-0.24
	Bodies Corporate	58,12,396	0	58,12,396	4.76	39,47,417	500	39,47,917	3.23	-1.53
	Sub Total (B)(3)	3,70,32,670	8,59,120	3,78,91,790	31.01	3,51,86,343	6,79,044	3,58,65,387	29.35	-1.66
	Total Public Shareholding(B)=(B(1)+(B)(2)+(B)(3))	5,42,10,686	8,63,120	5,50,73,806	45.07	5,02,39,505	6,83,044	5,09,22,549	41.68	-3.40
	Total (A)+(B)	12,13,25,645	8,63,120	12,21,88,765	100.00	12,15,05,721	6,83,044	12,21,88,765	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	12,13,25,645	8,63,120	12,21,88,765	100.00	12,15,05,721	6,83,044	12,21,88,765	100.00	

II) Share Holding of promoters (Including Promoters Group)

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	SURESHBHAI JAYANTIBHAI PATEL	3,46,95,151	28.39	Nil	3,71,12,857	30.37	Nil	1.98
2	BHAVIN SURESH PATEL	94,59,549	7.74	Nil	1,04,96,342	8.59	Nil	0.85
3	ANKIT SURESHBHAI PATEL	65,36,550	5.35	Nil	72,61,072	5.94	Nil	0.59
4	MEENABEN SURESHBHAI PATEL	52,28,960	4.28	Nil	52,28,960	4.28	Nil	0.00
5	RAMESHBHAI DAHYABHAI PATEL	47,96,960	3.93	Nil	48,96,434	4.01	Nil	0.08



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Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
6	Late. JAYANTI DAHYABHAI PATEL*	34,99,165	2.86	Nil	Not Applicable			
7	SHAKUNTALA J PATEL	22,85,575	1.87	Nil	57,84,740	4.73	Nil	2.86
8	RAMESH PRABODHCHANDRA PATEL	3,85,299	0.32	Nil	3,85,299	0.32	Nil	0.00
9	BANSIBHAI MAGANBHAI PATEL	31,680	0.03	Nil	31,680	0.03	Nil	0.00
10	RAKESHBHAI RAVJIBHAI PATEL	31,680	0.03	Nil	44,442	0.04	Nil	0.01
11	RAMESH PRABODHCHANDRA PATEL-HUF	24,390	0.02	Nil	24,390	0.02	Nil	0.00
	Total	6,69,74,959	54.81	Nil	7,12,66,216	58.32	Nil	

Note:* In FY 2018-19, 3499165 No of Equity Shares Transmitted (Inheritance Transfer) on 21-02-2019 to Mrs. Shakuntala J Patel, wife of Late. Jayanti Dahyabhai Patel after Death of Jayanti Dahyabhai Patel.

III) Change in Promoters' (Including Promoter Group) Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SURESHBHAI JAYANTIBHAI PATEL	3,46,95,151	28.3947			3,46,95,151	28.3947
	Transfer			06 Apr 2018	1,40,000	3,48,35,151	28.5093
	Transfer			18 May 2018	3,04,948	3,51,40,099	28.7589
	Transfer			25 May 2018	3,08,392	3,54,48,491	29.0113
	Transfer			12 Oct 2018	16,64,366	3,71,12,857	30.3734
	AT THE END OF THE YEAR					3,71,12,857	30.3734
2	BHAVIN SURESH PATEL	94,59,549	7.7418			94,59,549	7.7418
	Transfer			22-Mar-19	3,06,152	97,65,701	7.9923
	Transfer			25-Mar-19	5,00,000	1,02,65,701	8.4015
	Transfer			28-Mar-19	1,75,734	1,04,41,435	8.5453
	Transfer			29-Mar-19	54,907	1,04,96,342	8.59
	AT THE END OF THE YEAR					1,04,96,342	8.59
3	ANKIT SURESHBHAI PATEL	65,36,550	5.3496			65,36,550	5.3496
	Transfer			18 May 2018	3,14,798	68,51,348	5.6072
	Transfer			12 Oct 2018	4,09,724	72,61,072	5.9425
	AT THE END OF THE YEAR					72,61,072	5.9425

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
4	SHAKUNTALA J PATEL	22,85,575	1.8705			22,85,575	1.8705
	Transfer/transmission			21 Feb 2019	34,99,165	57,84,740	4.7343
	AT THE END OF THE YEAR					57,84,740	4.7343
5	MEENABEN SURESHBHAI PATEL	52,28,960	4.2794			52,28,960	4.2794
	AT THE END OF THE YEAR					52,28,960	4.2794
6	RAMESHBHAI DAHYABHAI PATEL	47,96,960	3.9259			47,96,960	3.9259
	Transfer			12 Oct 2018	5,803	48,02,763	3.9306
	Transfer			30 Nov 2018	42,875	48,45,638	3.9657
	Transfer			25 Jan 2019	1,043	48,46,681	3.9666
	Transfer			15 Feb 2019	49,753	48,96,434	4.0073
	AT THE END OF THE YEAR					48,96,434	4.0073
7	RAMESH PRABODHCHANDRA PATEL	3,85,299	0.3153			3,85,299	0.3153
	AT THE END OF THE YEAR					3,85,299	0.3153
8	RAKESHBHAI RAVJIBHAI PATEL	31,680	0.0259			31,680	0.0259
	Transfer			12 Oct 2018	12,762	44,442	0.0364
	AT THE END OF THE YEAR					44,442	0.0364
9	BANSIBHAI MAGANBHAI PATEL	31,680	0.0259			31,680	0.0259
	AT THE END OF THE YEAR					31,680	0.0259
10	RAMESH PRABODHCHANDRA PATEL	24,390	0.0200			24,390	0.0200
	AT THE END OF THE YEAR					24,390	0.0200
11	JAYANTI DAHYABHAI PATEL *	34,99,165	2.8637			34,99,165	2.8637
	Transfer/Transmission			21 Feb 2019	(34,99,165)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

Note:* In FY 2018-19, 3499165 No of Equity Shares transmited (Inheritance Transfer) on 21-02-2019 to Mrs. Shakuntala J Patel, wife of Late. Jayanti Dahyabhai Patel after Death of Jayanti Dahyabhai Patel.

ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	ICICI PRUDENTIAL LONG TERM EQUITY FUND TAX SAVINGS	49,87,778	4.0820			49,87,778	4.0820
	Transfer			04 May 2018	2,43,558	52,31,336	4.2814
	Transfer			22 Mar 2019	(3,36,603)	48,94,733	4.0059
	Transfer			29 Mar 2019	(2,12,310)	46,82,423	3.8321
	AT THE END OF THE YEAR					46,82,423	3.8321
2	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	26,16,279	2.1412			26,16,279	2.1412
	AT THE END OF THE YEAR					26,16,279	2.1412
3	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	21,11,814	1.7283			21,11,814	1.7283
	Transfer			06 Apr 2018	24,089	21,35,903	1.7480
	Transfer			21 Sep 2018	(4,431)	21,31,472	1.7444
	Transfer			29 Sep 2018	(1,37,687)	19,93,785	1.6317
	Transfer			05 Oct 2018	(87,482)	19,06,303	1.5601
	Transfer			16 Nov 2018	33,250	19,39,553	1.5873
	Transfer			01 Mar 2019	78,275	20,17,828	1.6514
	AT THE END OF THE YEAR					20,17,828	1.6514
4	KUWAIT INVESTMENT AUTHORITY FUND 225	11,88,000	0.9723			11,88,000	0.9723
	AT THE END OF THE YEAR					11,88,000	0.9723
5	MONARCH NETWORK FINSERVE PRIVATE LIMITED	8,80,000	0.7202			8,80,000	0.7202
	Transfer			11 Jan 2019	1,000	8,81,000	0.7210
	AT THE END OF THE YEAR					8,81,000	0.7210
6	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY OPEN LIMITED	8,50,000	0.6956			8,50,000	0.6956
	AT THE END OF THE YEAR					8,50,000	0.6956
7	MONARCH NETWORK CAPITAL LIMITED	4,012	0.0033			4,012	0.0033
	Transfer			06 Apr 2018	5,283	9,295	0.0076
	Transfer			13 Apr 2018	(3,558)	5,737	0.0047
	Transfer			20 Apr 2018	2,095	7,832	0.0064
	Transfer			27 Apr 2018	192	8,024	0.0066
	Transfer			04 May 2018	15,047	23,071	0.0189
	Transfer			11 May 2018	(13,380)	9,691	0.0079
	Transfer			18 May 2018	23,169	32,860	0.0269
	Transfer			25 May 2018	(25,151)	7,709	0.0063
	Transfer			01 Jun 2018	47,814	55,523	0.0454

ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			08 Jun 2018	(43,296)	12,227	0.0100
	Transfer			15 Jun 2018	(6,627)	5,600	0.0046
	Transfer			22 Jun 2018	10,872	16,472	0.0135
	Transfer			30 Jun 2018	(6,054)	10,418	0.0085
	Transfer			06 Jul 2018	(1,358)	9,060	0.0074
	Transfer			13 Jul 2018	1,650	10,710	0.0088
	Transfer			20 Jul 2018	(941)	9,769	0.0080
	Transfer			27 Jul 2018	(665)	9,104	0.0075
	Transfer			03 Aug 2018	1697	10,801	0.0088
	Transfer			10 Aug 2018	(1,249)	9,552	0.0078
	Transfer			17 Aug 2018	377	9,929	0.0081
	Transfer			24 Aug 2018	(40)	9,889	0.0081
	Transfer			31 Aug 2018	(3,031)	6,858	0.0056
	Transfer			07 Sep 2018	(461)	6,397	0.0052
	Transfer			14 Sep 2018	(2,582)	3,815	0.0031
	Transfer			21 Sep 2018	(831)	2,984	0.0024
	Transfer			29 Sep 2018	(519)	2,465	0.0020
	Transfer			05 Oct 2018	909	3,374	0.0028
	Transfer			12 Oct 2018	(1,909)	1,465	0.0012
	Transfer			19 Oct 2018	(1,037)	428	0.0004
	Transfer			26 Oct 2018	522	950	0.0008
	Transfer			02 Nov 2018	(267)	683	0.0006
	Transfer			09 Nov 2018	247	930	0.0008
	Transfer			16 Nov 2018	(549)	381	0.0003
	Transfer			23 Nov 2018	1,069	1,450	0.0012
	Transfer			30 Nov 2018	3	1,453	0.0012
	Transfer			07 Dec 2018	(153)	1,300	0.0011
	Transfer			14 Dec 2018	(50)	1,250	0.0010
	Transfer			21 Dec 2018	5	1,255	0.0010
	Transfer			28 Dec 2018	100	1,355	0.0011
	Transfer			31 Dec 2018	462	1817	0.0015
	Transfer			04 Jan 2019	600	2417	0.0020
	Transfer			11 Jan 2019	(2,100)	317	0.0003
	Transfer			18 Jan 2019	438	755	0.0006
	Transfer			25 Jan 2019	199	954	0.0008
	Transfer			01 Feb 2019	(699)	255	0.0002
	Transfer			08 Feb 2019	150	405	0.0003
	Transfer			01 Mar 2019	20	425	0.0003
	Transfer			08 Mar 2019	183	608	0.0005
	Transfer			15 Mar 2019	10,169	10,777	0.0088
	Transfer			22 Mar 2019	771	11,548	0.0095
	Transfer			29 Mar 2019	8,11,096	8,22,644	0.6733
	AT THE END OF THE YEAR					8,22,644	0.6733

ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
8	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	6,46,460	0.5291			6,46,460	0.5291
	Transfer			15 Jun 2018	20,658	6,67,118	0.5460
	Transfer			22 Jun 2018	8,161	6,75,279	0.5527
	Transfer			06 Jul 2018	14,447	6,89,726	0.5645
	Transfer			13 Jul 2018	30,266	7,19,992	0.5892
	Transfer			20 Jul 2018	65,573	7,85,565	0.6429
	Transfer			27 Jul 2018	12,089	7,97,654	0.6528
	Transfer			03 Aug 2018	17,282	8,14,936	0.6669
	Transfer			10 Aug 2018	13,438	8,28,374	0.6779
	Transfer			17 Aug 2018	13,700	8,42,074	0.6892
	Transfer			24 Aug 2018	8,417	8,50,491	0.6960
	Transfer			30 Nov 2018	(6,553)	8,43,938	0.6907
	Transfer			07 Dec 2018	(14,148)	8,29,790	0.6791
	Transfer			14 Dec 2018	(10,199)	8,19,591	0.6708
	AT THE END OF THE YEAR					8,19,591	0.6708
9	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	6,12,835	0.501547749		75,281	6,88,116	0.563158159
	AT THE END OF THE YEAR					6,88,116	0.563158159
10	PRAVIN HARIKRISHNA SURTI	5,96,692	0.4883			5,96,692	0.4883
	Transfer			22 Jun 2018	40,000	6,36,692	0.5211
	Transfer			30 Jun 2018	20,000	6,56,692	0.5374
	Transfer			03 Aug 2018	(16,692)	6,40,000	0.5238
	Transfer			10 Aug 2018	(40,000)	6,00,000	0.4910
	AT THE END OF THE YEAR					6,00,000	0.4910
11	BENGAL FINANCE & INVESTMENT PVT. LTD	15,27,861	1.2504			15,27,861	1.2504
	Transfer			30 Jun 2018	(1,89,162)	13,38,699	1.0956
	Transfer			06 Jul 2018	(91,053)	12,47,646	1.0211
	Transfer			13 Jul 2018	(3,00,837)	9,46,809	0.7749
	Transfer			20 Jul 2018	(3,06,002)	6,40,807	0.5244
	Transfer			27 Jul 2018	(2,35,638)	4,05,169	0.3316
	Transfer			10 Aug 2018	(3,35,113)	70,056	0.0573
	Transfer			17 Aug 2018	(70,056)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000



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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
12	USAA MUTUAL FUNDS TRUST, EMERGING MARKETS FUND	7,92,228	0.6484			7,92,228	0.6484
	Transfer			27 Apr 2018	(89,097)	7,03,131	0.5754
	Transfer			04 May 2018	(5,16,107)	1,87,024	0.1531
	Transfer			11 May 2018	(1,87,024)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

V) SHARE HOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Name of Directors/ KMPs	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Suresh J. Patel Chairman & Managing Director				
	At the beginning of the year	3,46,95,151	28.39		
	Bought During the year	24,17,706	1.98	3,71,12,857	30.37
	Sold during the year				
	At the end of the year			3,71,12,857	30.37
2	Mr. Bhavin S. Patel Executive Director				
	At the beginning of the year	94,59,549	7.74		
	Bought During the year	10,36,793	0.85	1,04,96,342	8.59
	Sold during the year				
	At the end of the year			1,04,96,342	8.59
3	Mr. Ankit S. Patel Executive Director				
	At the beginning of the year	65,36,550	5.35		
	Bought During the year	7,24,522	0.59	72,61,072	5.94
	Sold during the year				
	At the end of the year			72,61,072	5.94
4	Dr. Parin D Shah (appointed as additional director w.e.f 29-12-2018)				
	At the beginning of the year	-	-	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-



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Sr. No.	Name of Directors/ KMPs	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	Mr. Bipin R. Patel (resigned from Independent Director w.e.f 25-10-2018)				
	At the beginning of the year	-	-	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Mr.Sunil K. mehta Independent Director				
	At the beginning of the year	2,00,000	0.16	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year			2,00,000	0.16
7	Mr. Nalin Kumar Independent Director				
	At the beginning of the year	-	-	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Mrs.Neha Huddar Independent woman Director				
	At the beginning of the year	1,000	0.00	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	1,000	0.00
10	Mr. Mayur B. Padhya Chief Financial Officer				
	At the beginning of the year	1,69,750	0.14	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	1,69,750	0.14
11	Mr. Ashutosh B. Bhatt Company Secretary				
	At the beginning of the year	-	-	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-

ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

ANNEXURE D

V INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,346,455,983.00	124,599,836.00	7,010,871.00	1,478,066,690.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	691,277.00	691,277.00
Total (i+ii+iii)	1,346,455,983.00	124,599,836.00	7,702,148.00	1,478,757,967.00
Change in Indebtedness during the financial year				
Addition	6,085,342.00	74,092,600.00	541,443.00	80,719,385.00
Reduction	-	(197,325,000.00)	(472,940.00)	(197,797,940.00)
Net Change	6,085,342.00	(123,232,400.00)	68,503.00	(117,078,555.00)
Indebtedness at the end of the financial year				
i) Principal Amount	1,352,541,325.00	1,367,436.00	7,038,117.00	1,360,946,878.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	732,534.00	732,534.00
Total (i+ii+iii)	1,352,541,325.00	1,367,436.00	7,770,651.00	1,361,679,412.00

ANNEXURE E

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

I Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹)					
Sr. NO.	Particulars of Remunerations	Mr. Suresh J. Patel, Chairman & Managing Director	Mr. Bhavin S. Patel, Executive Director	Mr. Ankit S. Patel, Executive Director	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,08,00,000	72,00,000	72,00,000	2,52,00,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2,24,056	15,00,695	7,95,500	25,20,251
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	4,35,00,000	3,25,00,000	3,25,00,000	10,85,00,000
	as % of profit				
	others, specify...(Performance based)				
5	Others (Contribution to PF)	-	-	-	-
	Total (A)	5,45,24,056	4,12,00,695	4,04,95,500	13,62,20,251
Ceiling as per the Act (@10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013					23,16,04,480

ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

II Remuneration to other Directors:

(in ₹)

Sr. NO.	Particulars	Fees for attending Board Meeting/ Committee Meeting	Commission	Others, Specify	Total Amount
Independent Directors					
1	Mr. Bipin R. Patel (Resigned from the Company w.e.f. 25-10-2018)	75,000.00	-	-	75,000.00
2	Mr. Sunil K. Mehta	125,000.00	-	-	125,000.00
3	Mr. Nalin Kumar	100,000.00	-	-	100,000.00
4	Mrs. Neha Huddar	100,000.00	-	-	100,000.00
5	Dr. Parin D. Shah (Appointed in the Company w.e.f. 29-12-2018)	25,000.00	-	-	25,000.00
	Total	425,000.00	-	-	425,000.00
Ceiling as per the Act (@1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013					2,31,60,448

III Remuneration to Key Managerial Personnel Other than MD/manager/WTD

(in ₹)

Sr. NO.	Particulars of Remunerations	Mr. Mayur B. Padhya, Chief Financial Officer	Mr. Ashutosh B. Bhatt, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4,312,647.00	909,588.00	5,222,235.00
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	111,600.00	-	111,600.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...(Performance based)	-	-	-
5	Others (Contribution to PF)	270,000.00	-	270,000.00
	Total	4,694,247.00	909,588.00	5,603,835.00



ANNEXURE 5 TO THE DIRECTORS' REPORT MGT 9 (CONTD.)

ANNEXURE F

VII Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A	Company				
			None		
B	DIRECTORS				
			None		
C	OTHER OFFICERS IN DEFAULT				
			None		



ANNEXURE 6 TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

Energy Conservation measures taken:

- Reducing the HP of Motors where possible
- Improvement in low insulation.
- Periodic desertion of Boiler

Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:

The company's Sulphuric Acid plant generates steam, part of the same is used to run our TC, Dyes and Dyes Intermediates plant and balance is used to generate power, by installation of turbine, to run Sulphuric Acid plant itself.

Impact of above:

The adoption of energy conservation measures indicated above has a consequent impact on cost of production of goods by way of reduction of fuel cost.

Total Energy Consumption per unit of Production:

Particulars		2018-19	2017-18
(i)	Total consumption of Electric (Units)	25.71 Million	38.27 Million
	Total Amount (₹ in Million)	194.00 Million	299.00 Million
	Unit/Average Rate (In ₹)	Unit/₹ 7.55	Unit/₹ 7.81
(ii)	Fuel		
	Quantity	Kgs 54.57 Million Ltr 0.12 Million MMBTU 0.006 Million	Kgs 31.92 Million Ltr 0.06 Million MMBTU 0.012 Million
	Total Amount (₹ in Million)	451.48 Million	270.82 Million
	Unit /Average Rate (In ₹)	Kgs/ - ₹ 8.01 Ltr/ - ₹ 73.10 MMBTU/₹ 1047.81	Kgs/ - ₹ 8.05 Ltr/ - ₹ 63.49 MMBTU/₹ 887.68

RESEARCH & DEVELOPMENT (R & D)

Future Plans of Action

The Company will try its best to carry activities in the field of R & D for development of new products and improvements in the existing manufacturing process for better yield.

Expenditure on R & D (on standalone basis):

Particulars	₹ in Million.
Capital Expenditure	3.69
Recurring Expenditure	25.86
Total	29.55
Total R&D expenditure as a percentage of total turnover	0.22%

ANNEXURE 6 TO THE DIRECTORS' REPORT (CONTD.)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief:

- I. Company in order to fully utilise its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.
- II. Continuous endeavor to improve Product Quality & Process Yields.

(b) Benefit derived as a result of the above effort:

The Company is able to market its value-added products in Domestic as well as International Market.

(c) Details relating to imported technology: Nil

FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Millions)

Particulars	2018-19	2017-18
(a) Foreign Exchange Inflow		
(i) Foreign Exchange Earning		
F.O.B. Value of Export	5,790.60	3,308.79
(b) Foreign Exchange outgo		
(i) Value of imported Raw materials calculated on CIF basis.	1,092.87	769.34
(ii) Value of imported Other materials calculated on CIF basis	Nil	NIL
(iii) Value of imported Capital Goods calculated on CIF basis	0.72	3.24
(iv) Foreign Traveling Expenditure	3.64	1.49
(v) Export Sales Commission	58.12	74.76
(vi) Business Development Expenses	1.578	1.71
(vii) Interest	32.29	19.68
(viii) Bank Charges	7.05	5.49
(ix) Cash Discount	Nil	0.30
(x) Repairs to machinery	Nil	NIL
(xi) Other Selling Expense	0.43	0.01
(xii) Legal & Professional Fees	2.11	NIL

ANNEXURE 7

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2018-19

Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Corporate Social Responsibility (CSR) Report for 2018-19

Bodal Chemicals Limited (BCL) vision is to grow Globally and as responsible citizen also fulfill its duty towards society. The company's long-term CSR objective is "to improve the quality of life of the communities to whom we serve & attach"

Focused Geographic Spread

BCL's focused area for developmental activities will be urban as well as rural areas in the states in which it is located.

The company may also support initiatives in other geographies, as approved by the CSR committee of the board, from time to time.

CSR Focused Area

BCL's CSR is aligned with the BCL's corporate policy and will focus on four thrust areas – Environment, Education, Health Care, Livelihood, and Rural & Urban infrastructure. Besides, it will also undertake interventions in the area of Sports, Disaster Relief, and Ethnicity etc. all aimed at improving the quality of life of the communities.

Approach:

The company's CSR approach would be around following guiding principal.

Impact	Partnership	Affirmative Action
Volunteerism	Communication	Innovation

The company follows Ackerman's Model for CSR. This model defines CSR in three different phase.

First Phase : Top management recognise social problem.

Second Phase : The Company appoints staff specialist to look into the issue and find measures to tackle it.

Third Phase : Implementation of the strategy derived

Delivery Mechanism

Whilst a large part of the CSR efforts of BCL will be implemented by an in-house department, in some of the projects company is also partner with the credible organisation to design, fund allocation, implement and review projects. Partner agencies will be selected based on the well-defined selection criteria.

Guiding Principle for CSR:

Impact	All CSR initiatives will have well defined KPIs, to measure impacts on target groups.
Partnership	The company will forge collaborations with NGOs or Organisations those have expertise to implement the projects related to CSR.
Affirmative Actions	The company will design targeted interventions for the specific group to promote Education, Employability, and Entrepreneurship.
Volunteerism	BCL is providing opportunity to their employees, their families, and BCL ecosystem to engage in volunteering activities that will benefit to the community in which they live and work.
Communication	It is very important principle, the company have two-way communication channel, where we communicate with community people to understand their needs, expectations and aspirations can be mapped and their satisfaction can be obtained.
Innovation	BCL will endeavour to develop innovative solution to solve seemingly intractable social problem.



ANNEXURE 7 CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2018-19 (CONTD.)

CSR for the year 2018-19

During the year under review, we utilise our CSR fund under the different sector like Education, Environment, Social Development of Community, and support in the Research and Development, for achieving overall objective of CSR.

This year, 2018-19 we are majorly focus to do CSR activity by our own, direct route for ensuring appropriate use of our CSR fund.

We have spent CSR fund for the year 2018-19 to enhancing the infrastructure for educational institutes, Rural Infrastructure Development, in Research & Development institutes, in Government organisations, Sports Council of India, in Armed Force Department etc. for achieving our overall objective.

To enhance rural infrastructure and environment, we work with village people to make clean village, we have done cleaning of roads, waste water savage and other areas where cleaning is required in entire village.

Also our senior team members actively participate along with volunteers for this development and also they impart lectures to students on educational and motivational topics. Team CSR regularly visits these schools and monitor entire development project for the right implementation.

CSR FOR 2018-19

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of Society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities. The Company has framed a CSRP policy in compliance with the provisions of the Act, which is available on the Company's website - www.bodal.com and its weblink - https://bodal.com/live.php?data=6_I2
2	Last reconstitution of CSR Committee Composition of the CSR Committee.	Your Board reconstituted CSR committee on 29th December 2018 due to resignation of Mr. Bipin R Patel, Independent Director of the company w.e.f. 25-10-2018 Composition of CSR Committee as below: 1) Mr. Suresh J. Patel - Chairman 2) Mr. Ankit S. Patel- Member 3) Mr. Sunil K. Mehta- Member
3	Average net profit of the Company for last three financial year	1,73,02,06,832.40
4	Prescribed CSR Expenditure (Two per cent of the amount as in item 3 above)	3,46,04,136.64
5	Carry forward unspent amount from last year	NIL

Details of CSR spent during the financial year 2018-19

a. Total amount to be spent for the financial year	3,46,04,136.64
b. Total amount spent during financial year	3,48,65,873.00
c. Amount Unspent, if any	NIL
d. Excess amount spent	2,61,736.35



ANNEXURE 7 CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2018-19 (CONTD.)

6	In case the Company has failed to spend the two percentage of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	NA
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Areas of Interest:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centers and other facilities for senior citizens.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the Central Government for rejuvenation of river Ganga.
5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.
6. Measure for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief fund and welfare of the schedule castes, the scheduled tribes, other backward classes, minorities and women.
[Contribution to any fund set up by Central Government means it does not include the fund set up by State Government or any local Government.]
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Slum area development.

CSR ACTIVITY/PROGRAMME DURING 2018-19

Manner in which the amount spent during the financial year is detailed below:

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure upto the reporting period (Amt in Rs.)	Amount spent: Direct or through implementing agency* (Amt in Rs.)	Direct or through implementing agency*
Being amount paid to "Shree Bodal Kelvani mandal"	Promotion of Education	Bodal, Ta: Borsad Dist: Anand State: Gujarat	2,650,000.00	2,650,000.00	2,650,000.00	2,650,000.00	Direct through Company
Being amount paid to YUVA UNSTOPABLE towards installation work for the R.O Facility in Sayona Vidhyalaya primary school	Provide clean drinking water	Karkhadi, Ta. Padra, Dist. Vadodara	156,500.00	156,500.00	156,500.00	156,500.00	"Implement through agency (YUVA UNSTOPABLE)"
Being amount paid towards "Sree gopal govardhan gaushala trust"	Animal welfare	Ta: sanchor Dist: jalore State: Rajasthan	231,000.00	231,000.00	231,000.00	231,000.00	Direct by Company
Being amount paid to "SRI ARVINDO INSTITUTE OF APPLIED SCINTIFIC RESEARCH TRUST"	Promoting Special Education and research work	Mumbai Maharashtra	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	Direct through Company
Being amount paid to Sarvotkarsh Seva Sansthan Charitable Trust, on behalf of Vraj Jitendrabhai Patel who is a Mentally Retarded Child with Physical disabilities for his accomodation & rehabilitation charges for the year 2018-19	Preventive Health Care	Dudhwada Padra, baroda	90,000.00	90,000.00	90,000.00	90,000.00	Direct by Company
Being amount paid to "Krishna Jan Seva Trust" towards 2nd Mass marriage Ceremony.	Social Welfare	Karkhadi, Ta. Padra, Dist. Vadodara	21,000.00	21,000.00	21,000.00	21,000.00	Direct by Company
Being amount paid to TITHOR GRAM PANCHAYAT for installation work for the Drinking Water facility at Tithor Village	Preventive Health Care	Tithor, Ta. Padra, Dist. Vadodara	50,000.00	50,000.00	50,000.00	50,000.00	Direct by Company
Being amount paid to "GAMETHA GRAM PANCHAYAT" for Installation work for the Drinking Water facility at Gametha Village	Preventive Health Care	"Gametha, Ta. Padra, Dist. Vadodara"	150,000.00	150,000.00	150,000.00	150,000.00	Direct by Company

CSR ACTIVITY/PROGRAMME DURING 2018-19 (CONTD.)

Board's Report

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure upto the reporting period (Amt in Rs.)	Amount spent: Direct or through implementing agency* (Amt in Rs.)	Direct or through implementing agency*
Contribution of School Shoes for students at Ekalbara School	Promotion of Education	"Ekalbara, Ta. Padra, Dist. Vadodara"	34,953.00	34,953.00	34,953.00	34,953.00	Direct by Company
"Being amount paid to "Shree Narmada Sanskrit Ved Pathshala" Shree Narmada Sanskrit Ved Pathshala is working for the cultivation and enrichment of our India Culture."	Social Development	"Bharuch Gujarat"	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	Direct by Company
Being Amount paid to Bharuch Jila Seva Samaj Mandal on behalf of Gandhi Ashram Uttar Buniyadi Vidhyalay towards remuneration of Teachers (Higher Secondary)	Promotion of Education	"Piludhara Ta. Jambusar Dis. Bharuch Gujarat"	64,000.00	64,000.00	64,000.00	64,000.00	Direct by Company
Being amount paid for Installation work for the Mic and Streo System for Sarmari Madhyamic School	Promotion of Education	"Nana Ekalbara, Ta. Padra, Dist. Vadodara"	35,762.00	35,762.00	35,762.00	35,762.00	Direct by Company
Fees paid in favour of Parul Institute of Nursing -degree in behalf of Mr. Astha Manojkumar Patel, for 2nd year B.Sc Nursing Course	Promotion of Education	"Limda Tal. Waghodia Dis. Vadodara"	122,950.00	122,950.00	122,950.00	122,950.00	Direct by Company
Fees paid in favour of Muni Seva Ashram School of Nursing in behalf of Ms. Parmar Snehalben Pankajsinh, for B.Sc Nursing Course	Promotion of Education	"Goraj TA. Waghodia Dist. Vadodara Gujarat"	160,000.00	160,000.00	160,000.00	160,000.00	Direct by Company
Fees paid in favour of Arpi Science School in behalf of Ms. Patel Dhruviben Manharbhai, for 12th Std.	Promotion of Education	"Muval Ta. Padra Dist. Vadodara"	35,100.00	35,100.00	35,100.00	35,100.00	Direct by Company
Fees paid in favour of Shayona Vidhyalay in behalf of Nikul Lalbhai Parmar, for 3rd Std.	Promotion of Education	"Karkhadi, Ta. Padra, Dist. Vadodara"	15,130.00	15,130.00	15,130.00	15,130.00	Direct by Company

CSR ACTIVITY/PROGRAMME DURING 2018-19 (CONTD.)

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure upto the reporting period (Amt in Rs.)	Amount spent: Direct or through implementing agency* (Amt in Rs.)	Direct or through implementing agency*
Being amount paid for Contribution of School Uniform for students at Ekalbara School	Promotion of Education	"Ekalbara, T.a. Padra, Dist. Vadodara"	21,706.00	21,706.00	21,706.00	21,706.00	Direct by Company
Being amount paid to Babubhai "Sarva Manav Seva charitable trust"	social Activities	"Vadodara Gujarat"	2,100.00	2,100.00	2,100.00	2,100.00	Direct by Company
Being amount paid to "Mother Krishna charitable trust"	social Activities	"Kotepur Ahmedabad"	5,000.00	5,000.00	5,000.00	5,000.00	Direct by Company
Being amount paid to "OM SEVASHRAM TRUST (GAUSHALAY"	Animal Welfare	"Vadodara Gujarat"	2,500.00	2,500.00	2,500.00	2,500.00	Direct by Company
Being amount paid to Segar College of B.sc. Nursing towards fees of Mr. Hitesh Gordhan Labana	Promotion of Education	Udaipur	85,000.00	85,000.00	85,000.00	85,000.00	Direct by Company
Being amount paid to "Govardhan Gauraksha Jivdaya Gaushala"	Animal Welfare	"Kheda Ahmedabad"	2,100.00	2,100.00	2,100.00	2,100.00	Direct by Company
Being amount paid to "Manav Kalyan Seva trust"	social Activities	"Dudhwada Padra, baroda"	1,100.00	1,100.00	1,100.00	1,100.00	Direct by Company
Being amount paid to Navy Week Fund 2018 towards in celebration of "Navy Day" every year of 4th December	social Activities	"INS Valsura, Jamnagar, Gujarat"	101,000.00	101,000.00	101,000.00	101,000.00	Direct by Company
"Being amount paid to Tulsii Vallabh Nidhi towards contribution under project of "SWACHHA BHARAT ABHIYAN"	social Activities	Ahmedabad	500,000.00	500,000.00	500,000.00	500,000.00	Direct by Company
Being amount paid to Bankers Nursing Institute towards admission fees for student	Promotion of Education	"Dudhwada Padra, baroda"	131,100.00	131,100.00	131,100.00	131,100.00	Direct by Company

CSR ACTIVITY/PROGRAMME DURING 2018-19 (CONTD.)

Board's Report

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure upto the reporting period (Amt in Rs.)	Amount spent: Direct or through implementing agency* (Amt in Rs.)	Direct or through implementing agency*
Being amount paid to "Shree Chhatrapati Shivaji Seva Sansthan"	Preventive Health Care	"Jambusar Bharuch Gujarat"	40,000.00	40,000.00	40,000.00	40,000.00	Direct by Company
Being amount paid to "Prathmik Kumar Shala Vedach" towards Sports Day	Promotion of Sports activity	"Jambusar Bharuch Gujarat"	20,200.00	20,200.00	20,200.00	20,200.00	Direct by Company
Being amount paid to "Gohilwad Leva Patel Kelvani mandal"	Promotion of Education	"Bhavnagar Gujarat"	2,900,000.00	2,900,000.00	2,900,000.00	2,900,000.00	Direct by Company
Being amount paid to "SARDARDHAM"	"Promotion of Education and Health facility. Promotion of Economic, Social, Rural, Entrepreneur Developments and Community transformation"	"Ahmedabad Gujarat"	7,100,000.00	7,100,000.00	7,100,000.00	7,100,000.00	Direct by Company
Being amount paid to "Bio-Dent Medical system"	promotion of health care	-	196,672.00	196,672.00	196,672.00	196,672.00	Direct by Company
Being Amount paid to Kalindi Enterprises	Promotion of Defense	-	145,000.00	145,000.00	145,000.00	145,000.00	Direct by Company
Being amount paid to "Riya Foundation Trust" towards programs and project for development of health, education, essential infrastructure services and livelihood options.	"promotion of Education, Health, Sports. Social awareness programs. Slum area development programs. Provide digital education system. School Health Check-up program. Developing Mini Science Centre in Schools."	"Deesa Dis:Patn Gujarat"	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	Direct by Company

CSR ACTIVITY/PROGRAMME DURING 2018-19 (CONTD.)

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure upto the reporting period (Amt in Rs.)	Amount spent: Direct or through implementing agency* (Amt in Rs.)	Direct or through implementing agency*
Being amount paid to "Shree Annapurnadham Trust" towards construction of Hostel and Library and many other facilities to provide students for better education	Promotion of Education	"Ahmedabad Guajarati"	1,100,000.00	1,100,000.00	1,100,000.00	1,100,000.00	Direct by Company
Being amount paid to "Shree Sarawati Mandir Prathmik Shala" towards Cricket Tournament	Promotion of Sports	"Maminagar Ahmedabad"	35,000.00	35,000.00	35,000.00	35,000.00	Direct by Company
Being amount paid to "Muni Seva Ashram" towards CSR	promotion of Education	-	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	Direct by Company
Being amount paid to "Chovis Gam Sachidanand Medical and Research Center" Towards CSR	Promotion of Health Care	"Borsad Gujarat"	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	Direct by Company
Being amount paid to "Shree Jala Kelavani Seva Trust" Towards CSR	Provide special training to mentally challenged Childrens and Social welfare activities	"Padra Vadodara"	40,000.00	40,000.00	40,000.00	40,000.00	Direct by Company
Being amount paid to "Agnihotri K. G. Vyas Charitable Trust" Towards CSR	Promotion of Education and Health care	"Nadiad Modasa "	21,000.00	21,000.00	21,000.00	21,000.00	Direct by Company
being amount paid for purchased of books for 10th Std. for Government Higher Secondary School at Nana Ekalbara	Promotion of Education	"Padra Ekalbara Vadodara"	100,000.00	100,000.00	100,000.00	100,000.00	Direct by Company
Total CSR Expenditures for FY 2018-19			34,865,873.00	34,865,873.00	34,865,873.00	34,865,873.00	

For, Bodal Chemicals Limited

Suresh J Patel

Chairman and Managing Director

Chairman of CSR Committee

DIN: 00007400

ANNEXURE 8 TO THE DIRECTORS' REPORT

Form No. AOC-2

Particulars of Contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Forms for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

A. Details of contracts or arrangements transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March 2019, which were not at arm's length basis.

B. Details of transactions at arm's length basis

There were no material transactions entered in to during the year ended on 31st March 2019 with the related parties of the Company. Further below mentioned transactions entered by the Company with related parties were at arm's length basis for the year ended 31st March 2019.

Sr. No	Particulars	Details	Details	Details	Details	Details
1.	Name(s) of the related party and nature of relationship	Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and Member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Bodal Chemicals Trading Pvt. Ltd. (w.e.f. 7th December 2018) Wholly owned Subsidiary Company of Bodal Chemicals Ltd.	SPS Processors Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd	Trion Chemicals Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd.
2.	Nature of contracts/ arrangements/ transactions	Sale and purchase	Taking of factory premises on lease basis.	Sale and purchase	Sale and purchase	Sale and purchase
3.	Duration of the contracts / arrangements/ transactions	Repetitive during the year	Repetitive during the year	Repetitive during the year	Repetitive during the year	Repetitive during the year
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 66.29 Million	₹ 0.60 Million	₹ 2.99 Million	₹ 669.95 Million	₹ 0.30 Million
5.	Date(s) of approval by the Board	28th May 2014	28th May 2014	06th February 2019	20th March 2017	26th May 2016
6.	Amount paid as advances, if any:	—	—	—	—	—



ANNEXURE 8 TO THE DIRECTORS' REPORT (CONTD.)

Sr. No	Particulars	Details
1.	Name(s) of the related party and nature of relationship	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019) Wholly owned Subsidiary Company of Bodal Chemicals Ltd
2.	Nature of contracts/arrangements/transactions	—
3.	Duration of the contracts /arrangements/transactions	—
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	—
5.	Date(s) of approval by the Board	06-02-2019
6.	Amount paid as advances, if any:	—

For and on behalf of the Board

SURESH J. PATEL

Chairman and Managing Director

DIN: 00007400

Place : Ahmedabad

Date : August 13, 2019

Corporate Overview

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MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy has gone through several different phases over the past decade. These include financial crisis in 2008-2009, European sovereign debt crisis of 2010-2012 to realignment of the global commodity prices and increasing fears of recessionary slowdown across the developed economies till 2016. Since 2017, there were signs of stabilisation with a GDP growth of 3.1%, before getting moderated to 3.0% in 2018. The second half of 2018 witnessed US-China trade wars and rising uncertainties of Brexit that led to financial stress and volatility across the leading economies globally.

The developed economies recorded a moderate GDP growth of 2.1%, largely contributed by the US, Australia and New Zealand. In the US, the growth was largely contributed by several fiscal stimulus measures in the form of corporate tax rate cut as well as additional Government expenditure on domestic programs. In Australia, strong contribution from the household sector and net exports contributed to the growth, while New Zealand also grew on the back of strong exports, booming tourism, growing high-tech capabilities, sizeable manufacturing and service sector.

(Source: World Economic Prospect 2019, Deloitte, Bloomberg)

Emerging countries witnessed a growth of 4.3% in 2018, with 'BRICS' emerging as a clear winner. Brazil steadily recovered from two-year recession (2014 to 2016)

with an optimism of pension reforms under the new Government. In India, strong Government reforms, thrust on productivity, infrastructure and moderating fiscal deficit contributed to a steady growth. China's dominance on manufacturing and export of goods remained a strong factor in the overall aggregate growth of developing and world economy. However, the environmental concerns led to slowdown in production across crucial sectors. Russia's oil output reached all-time high of 555.838 Million tonnes last year, against 547 Million tonnes in 2017, reaching an all-time high since Soviet era (Source: <https://fp.brecorder.com/2019/01/20190103436941/>). Countries like Argentina, South Africa and Turkey faced challenges owing to higher burden of debts.

(Source: World Economic Prospect 2019, Reuters, Guardian)

OUTLOOK

The world economic growth is expected to be steady around 2.6% levels owing to uncertainties of outcomes of the US China trade wars, Brexit fallout and environmental challenges in China. Several large commodity-exporting countries, such as Brazil, Nigeria and the Russia will also help the developing economy to grow at a rate of 4% in 2019 before picking up by 60 basis point in 2020 to 4.6%.

GDP growth around the globe



(Source: IMF)



MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Indian economy

The Indian economy witnessed a GDP growth of 6.8% in 2018-2019 as against 7.2 % in the last fiscal year. The economy has expanded from being a USD 1.85 trillion economy in 2014 to USD 2.7 trillion in 2018-19. The year 2018-19 largely witnessed a temporary slowdown in momentum owing to global pressures from the ensuing trade wars, volatility in crude oil price and rupee depreciation. Being an important part of the global ecosystem, the Government is taking serious efforts by pushing India as a 'global manufacturing hub' through initiatives like 'Make in India', boosting exports, curbing imports through import duties and initiating strong efforts to keep the current account deficit (CAD) in check. Gradually, the tax base has also strengthened, where direct tax collection clocked ₹ 11.18 Lacs Crores and GST collection touched ₹ 11.77 Lacs Crores during the fiscal.

Outlook

The Indian Government has set an ambitious target of making India a USD 5 Trillion economy by 2024-25. This growth will be supported by robust consumption, continued implementation of structural and financial reforms and efforts to reduce public debt. It is also forecasted to improve its position on the World Bank's Ease of Doing Business parameter through progression in the key indicators such as paying taxes, insolvency resolution, trading across borders and easiness in getting a permit for starting a business.

Chemicals industry overview

The Chemicals industry plays an important role in meeting basic needs and touching all spheres of human activity. It is divided into basic chemicals, speciality chemicals and agrochemicals. The highly diversified covers over 80,000 commercial products that find its application across various industries such as textile, leather, paper, plastic, detergent and water treatment etc.

Globally, the chemical industry occupies the fifth position among the manufacturing sectors. The European Union (EU) and the United States (US) were the key chemical hubs contributing 40% of global sales until 2006. Post-recession, the momentum shifted towards the developing economies owing to cost benefit and consistent quality.

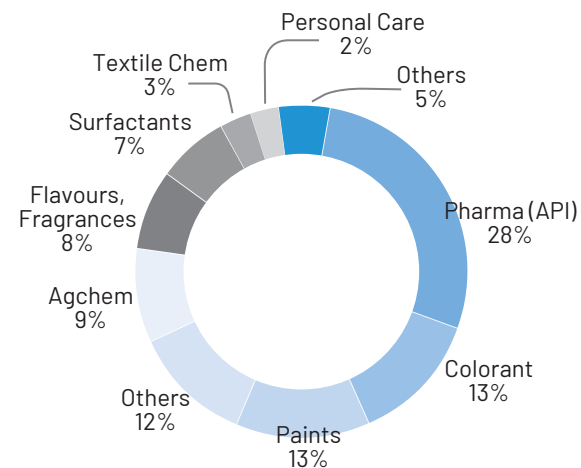
The Indian chemical Industry plays a significant role in contributing to the overall growth of the economy. The current size of the Indian chemical industry is ₹ 6.3-6.8 Lacs Crores and has significantly evolved at a CAGR of 7-8%

between 2014-2019 fiscal (Source: DNA). Demonetisation and GST has strengthened the scalability of the industry through consolidation. Besides, production slowdown in China owing to environmental concerns has further made India a prominent destination for production and export of chemicals.

Speciality chemicals

Speciality chemicals include application-based chemicals. It has been consistently growing at the rate of 8-9% over the past three fiscals. Of lately, there has been an increasing importance on sustainability and green chemistry with the motive of reducing the Carbon emission into the atmosphere. Presently, the Indian speciality chemical market accounts for around 1/3rd of the overall chemical industry market size, which is quite smaller in size as compared to other countries. With strong innovation and consistent quality, the segment is forecasted to grow around 12-14% over the near term.

Indian speciality chemical market



(Source: Credit Suisse)

Dyestuff

The global Dyestuff industry is growing at 3.5% annually, dominated by China and India, in terms of production. This growth is supported by diverse end user applications like paint, ink, textile, paper and leather. The global textile industry is expected to reach USD 1.23 trillion by 2025 which will positively impact the Dyestuff industry going ahead.

India enjoys 16% of the world production of Dyestuff and dye intermediates (Source: <https://www.investindia.gov.in/sector/chemicals>) as it meets the global standards for



MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

quality products. The Government's consistent endeavours towards formalisation of the economy has been very beneficial for the organised players in the industry. Major dyestuff manufacturing locations in India are situated in Gujarat and Maharashtra owing to easy availability of raw materials and dominance of textile industry in these regions.

Key growth drivers and opportunity for Indian chemical industry

Structural advantage: The developing market, industrialisation, purchasing power and increasing urbanisation have fuelled the end user utilisation for paints, textile, leather, paper and water detergent etc, which will ultimately help to boost the growth for chemical companies.

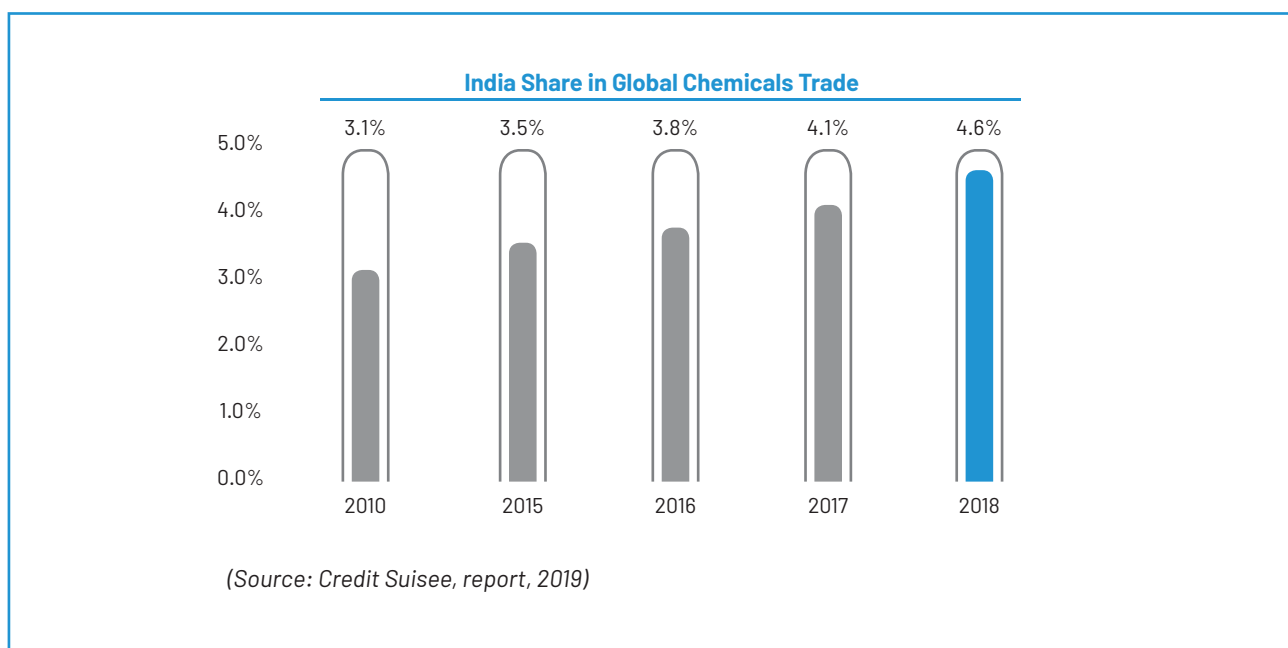
End user industry growth

Key industries	CAGR (2018-19 to 2022-23)	Comments
Textiles	9-10%	Increase in domestic demand led by rise in disposable income coupled with high export growth
Auto	7-8%	Better income prospects, subdued cost of ownership and fast-paced road development to help clock better demand
Construction	8-10%	Increase in housing and infrastructure investment
Consumer durables	7-8%	Healthy growth driven by increased spending in rural markets which will boost consumer sentiments continued economic recovery, rising disposable incomes and low penetration levels to also support growth

(Source: Crisil Report, 2019)

Slowdown in China's chemical production: The chemical industry is currently dominated by China just like any other manufacturing activities. Globally, USD 430 Billion of chemicals are exported, amongst whom European Union and China are the major players with a ~20% share by each. However, with the growing focus around environmental pollution standards and stricter authorisation in China has led to closure of several units. The scenario has made India an automatic choice in meeting the domestic and global demand.

India's share of global chemical exports has increased from ~3% to~4.5% over the last few years.



MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Higher cost in developed countries: Low cost skilled workforce and easy availability of raw material have shifted the demand from the West to the East. Wages in chemical producing countries is the highest in Germany followed by the US and Japan. While, in China the labour cost is increasing at a faster rate. India stands to benefit from the low wage cost, thus driving several outsourcing opportunities.

Capex slowdown in developed countries: The slowdown in gross domestic product and consumption growth has led to reduction in the capex by chemical companies in developed countries. This makes India the suitable location as it is the one of the fastest growing nation around the globe with rising disposable income and strong consumption-led growth story.

Focus on R&D: The need for the end user industry has been evolving, this makes it vital for chemical companies to update the product mix by adding speciality chemicals in the portfolio through innovative solutions. Besides, complying with the domestic and international regulatory norms by making eco-friendly chemicals, is also a very crucial aspect. This necessitates the need of continuous R&D to ensure right and consistent quality with optimum production. Several players in the organised segment of India invest heavily into the R&D, thus driving innovation and quality.

Government initiatives

The Government of India has introduced several policies and regulations to promote the industry. 'Make in India' has been one such initiative which has encouraged domestic players in setting up strong infrastructure. Besides, 100% FDI, the Government has also levied anti-dumping duty on several chemicals to safeguard interests of the domestic manufacturers. 'Petroleum, Chemicals and Petrochemicals Investment Regions' (PCPIRs) and plastic parks have been setup which will provide state-of-the-art infrastructure for Chemicals and Petrochemicals sector as well.

Outlook

The Indian chemical industry is projected to reach USD 304 Billion by 2025 largely driven by increasing per capita consumption, import substitution and increasing end-user applications. Besides, the Government's target to increase the share of manufacturing in the GDP to at least 25% by 2025, supported by R&D, will boost the growth of the Chemical industry.

Company overview

Bodal Chemicals Ltd, incorporated in 1989, is an integrated manufacturer of Dyestuff, Dye intermediate and basic chemicals. It produces 25 types of dye intermediates, 175+ types of Dyestuffs and 12 types of basic chemicals. The Company has successfully expanded its capacities over the years and at present operates through nine manufacturing facilities in Gujarat, one in Uttar Pradesh and seven depots across the nation. Moreover, it has also got four operating subsidiaries. It caters to domestic as well as 150+ global customers across 45+ countries.

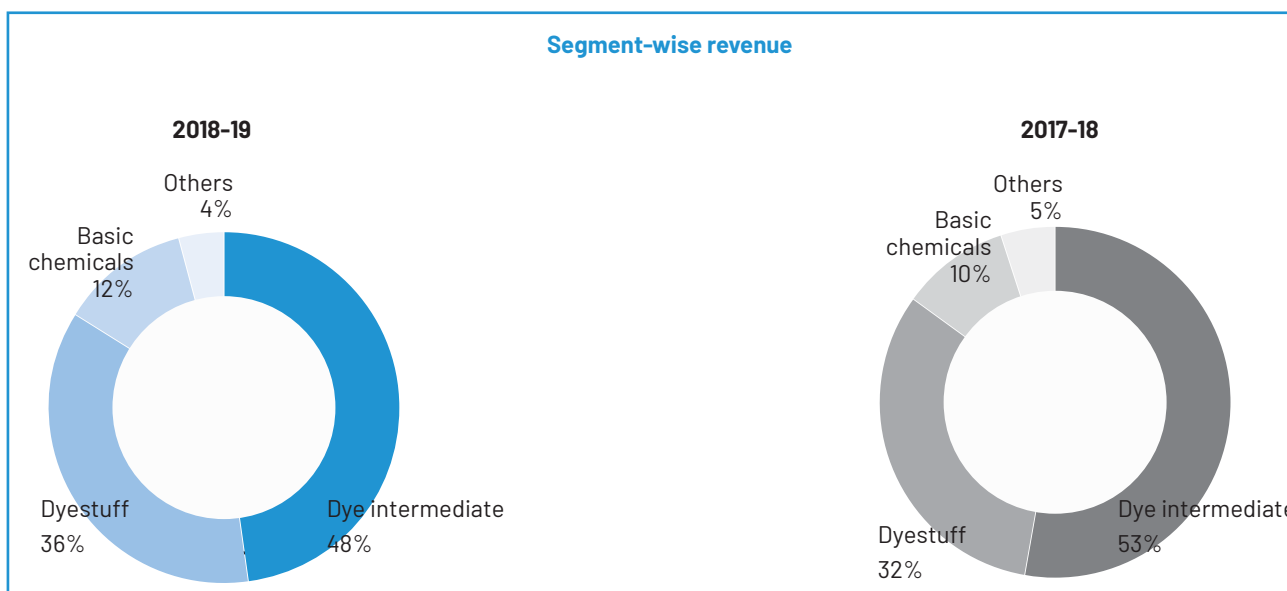
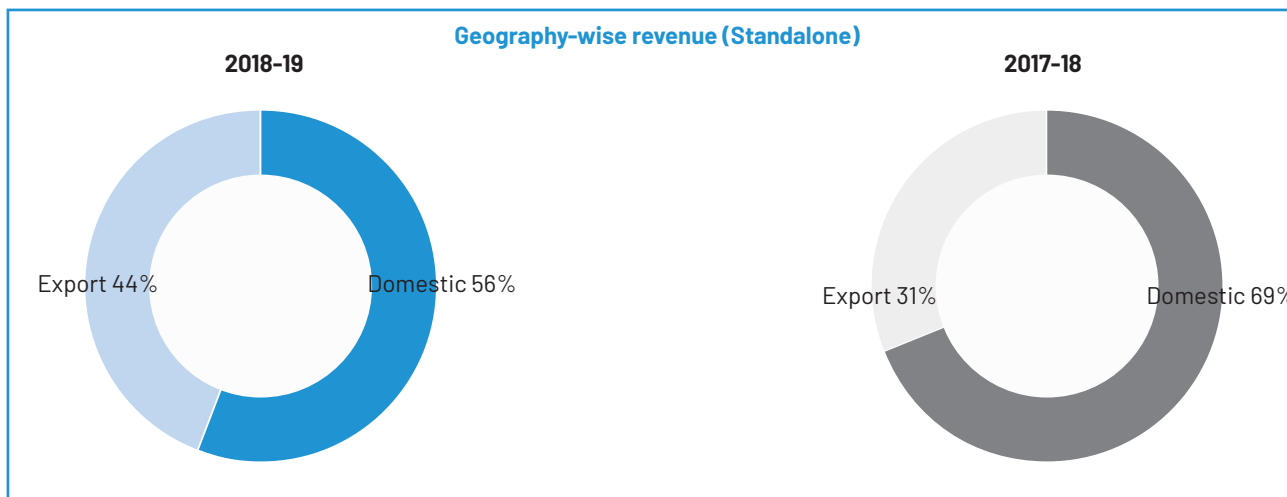
Financial performance (Consolidated)

(₹ in Millions)

	2018-19	2017-18	Y-O-Y growth
Revenue from operation	14,235	11,661	22.07%
EBITDA	2,495	2,039	22.36%
Profit after tax	1,413	1,219	15.91%
Earnings per share (₹)	11.56	10.62	8.85%

2018-19 was a very much satisfactory year for Bodal Chemicals Ltd and its subsidiaries. Revenue from operations increased to ₹ 14,235 Million, growing by 22.07% over the last fiscal. EBITDA increased to ₹ 2,495 Million, growing by 22.36% over the last fiscal. Net profit surged to ₹ 1,413 Million, increasing by 15.91% over the previous year. The overall improvement in performance was an outcome of productivity gains, volume growth and sustained margins during the year. However, there was decline in the EBITDA as well as PAT margin, owing to inventory loss, increasing depreciation and financial cost.

MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)



Segment performance

Dyestuff

Dyestuff witnessed 21% growth in its production to 18,588 MT from 15,412 MT owing to increase in production capacities during the year. This has also led to an increase in contribution of Dyestuff business from 32% in previous year to 36% in the current year.

Dye intermediate

The share of revenue in product segment of Dye Intermediate decreased by 5% in current fiscal year to 48%. However, there was increase in the production rate by 6% from 22,343 MT to 23,674 MT in 2018-19. The Company has effectively utilised 71.74% of the installed capacity of 33,000 MT.

Basic chemicals

Basic chemicals grew by 500 basis point on yearly basis to 188,534 MT, utilising about 83.42% of its capacity. While its share of revenue in product segment increased from 10% to 12% in 2018-19.

Others

Other business saw a decrease of 100 basis point in its revenue share in the business segment.

SPS and Trion

Trion is yet to cross the breakeven point, while SPS registered a PAT of ₹ 16 Million in the current year.



MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Strategic plans going ahead

Several strategic initiatives have been planned to expand the business operations going ahead. These include expanding Dyestuff capacities to meet the global demand, setting up of Chlor Alkali plant to produce Caustic Soda Flakes, Caustic Soda Lye, Chlorine and Hydrogen, thus strengthening the raw material base. The Company is gradually transforming its business model from B2B to B2C in Dyestuff segment to establish direct contact with the end customers and strengthening the margins in the process. The Company shall be further strengthening its base in the European region by acquiring 80% stake in the Turkey-based company named 'ŞEN-ER BOYA KIMYA TEKSTİL SANAYİ VE TİCARET LTD. ŞTİ.' involved in marketing, purchase and sale of various Dyestuff and other chemicals.

Human resource management

At Bodal, we always ensure implementation of the best industry practices to evolve the working methods and recruiting and nurturing the right talents. This has allowed the Company to successfully evolve over the years amidst challenging environment. To ensure the smooth functioning of the organisation, the Management and HR department work together in sync to develop employee bonding initiatives and break the boundaries and silos within the organisation.

The Company also believes in harnessing the young talent by giving them challenging tasks and making them ready to adapt future leadership. The Company also implemented new technologies and skill developments for improving efficiencies of its employees. It has also introduced ESOPs for deserving employees to increase their belongingness to the Company and assume responsibilities with stronger dedication. The Company also celebrates several events like World Environment Day, Safety Week Celebration and Independence Day (15th August) to engage with the team members.

Safety health environment

For our people

It is of the topmost priority for the Company to safeguard its people working at the project sites and manufacturing facility as they deal with hazardous chemicals ranging from Dye intermediate, Dyestuff, and basic chemicals to speciality chemicals. The Company implements industry-best safety measures and conducts strong drills and ensures strong channel of communication, safety awareness and sound training practices. All safety initiatives are driven through well-defined SOP (Standard Operating Policies).

The Company has doctors and medical representatives at the health centre who are present 24 x 7 and are well-versed to tackle any emergencies. Besides, regular medical check-up is also conducted.

For the surrounding

The Company ensures all the people living in the vicinity of the manufacturing facilities remain unaffected by the plant operations. It conserves natural resources through reduce, recover and reuse model. In addition to this, the Company also has got in-house environmental facility for water treatment.

Certified and licensed to facilitate safe operation

The Company has procured all the mandatory licenses and approvals under environmental and regulatory norms. Besides, the Company is also certified with ISO 9001: 2015 and ISO 14001:2015 for its quality.

RISK AND RESPONSE

1. Macro environment

Risk

The Company operates in an uncertain environment. Its regular business operations may be impacted through fluctuating raw material prices and unfavourable currency fluctuations.

Response

Being an integrated player, major proportion of the raw materials are produced in-house. The Company passes on the increase in raw material prices to the customer. Besides, the Company's exports allow the Company a natural hedge against the fluctuating rupee.

2. Environmental sustainability

Risk

The industry in which we operate in is accountable for impact on the environment. The pressure for the chemical industry is to not only meet the environmental norms, but also to deliver societal value.

Response

The Company complies to all the required environmental acts and regulations. In-house environmental facility minimises the depletion of the natural resource leading to sustainable growth. Apart from this, the machinery operated at the site is ISO certified and well tested before being use.



MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

3. Financial Risk

Risk

The capital intensive nature of the business necessitates the need of funds to efficiently manage the regular operations of the business.

Response

The Company's integrated business model coupled with best quality offerings has allowed itself to manage a healthy cash flow situation. Besides, it has successfully reduced debts over the years, further leading to improvement in overall profitability.

4. Competition risk

Risk

The chemical industry is intensively competitive, consisting of large number of manufacturers. The risk emerges when the Company does not initiate timely action against the underlying opportunity.

Response

The Company remains aware of emerging opportunities in the chemical space and proactively responds to the same. It is leveraging on the opportunity of the slowdown in the China's chemical factories and shift in the chemical landscape from the West to the East region.

5. Dependency risk

Risk

The risk arises when Company fails to expand the product portfolio due to its failure in meeting the R&D to Sales ratio of the average industry benchmark. Also, the Company constraining from supplying to different location and fragmenting itself from opening of new plant narrow down the chances of growing.

Response

The Company has diversified its product portfolio ranging from basic chemical, dyestuff, dye intermediate to speciality chemical exporting to 45+ countries to more than 150 customers under its four subsidiaries.

Internal Control system and their adequacy

Supply Chain Management

About 200 products are manufactured and sold across more than 45+ countries which has resulted in a widespread supply chain network. Bodal Chemicals continually invests in initiatives for supply chain optimization, capability building of trade partners and the sales force on a continuous basis. The constant observation and revision for all the manufacturing facilities help to get a better response. The key to an efficient supply chain management system is the use of technology solutions and predictive analytics for capturing accurate data and making proper decisions.

Information Technology

Information Technology provides continuous support to business operations and offers competitive advantages for the Company. A comprehensive ERP system has been implemented which helps the Company to increase the supply chain and provides accurate forecasts for the sourcing and supply. The IT system and infrastructure is continuously examined and improved with any new upgradation.

Cautionary Statement

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report contain 'forward looking statements' including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Bodal Chemicals' future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, Governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Bodal Chemicals undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V and Regulation 17 to 27 and 46 of SEBI (LODR) Regulations 2015 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company appreciates the noble idea of Corporate Governance and endeavors not only to abide by and comply with, the stipulated requirements related thereto, both in its word and spirit, but has also voluntarily contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information and expeditious redress of grievances of investors and public in general.

The policies and practice of Corporate Governance of the Company are inspired by following philosophy and principles with an earnest attempt to accomplish the same:

(a) Transparency:

To maintain in all aspects, high standards of transparency, in our interactions and dealings.

(b) Disclosures:

To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.

(c) Accountability:

To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.

(d) Compliances:

To comply with all the laws and regulations as applicable to the Company.

(e) Ethical conduct:

To conduct in an ethical manner, the affairs of the Company.

(f) Stakeholders' interest:

To promote the interests of all stakeholders including of customers, shareholders, employees, vendors, governments and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

The Company has established systems, policies and actions which are fully compliant with the requirements stipulated by the Securities and Exchange Board of India ("SEBI") from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These systems, policies and actions of the Company are designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and increasing stakeholder's value.

This report sets out the compliance status of the Company during the year 2018-19 with respect to the conditions of corporate governance.

BOARD OF DIRECTORS:

a. Composition of the Board

The Company's board consists of 7 (seven) Directors as on 31-03-2019. Out of 7 Directors, 4 Directors are Independent Directors including one (1) woman Director. The Chairman of the Board is an Executive Director.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors as prescribed under regulation 17 (1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Constitution of the Board is as follows:

Promoter Director	Executive Director (Promoter Group)	Independent Director
Mr. Suresh J. Patel (DIN:00007400) Promoter Chairman & Managing Director	Mr. Bhavin S. Patel (DIN:00030464) (Promoter Group) Executive Director Mr. Ankit S. Patel (DIN:02173231) (Promoter Group) Executive Director	Mr. Bipin R. Patel# (DIN:01186974) Mr. Nalin Kumar (DIN: 03060741) Mr. Sunil K Mehta (DIN:01736527) Mrs. Neha Huddar (DIN:00092245) Dr. Parin D Shah@ (DIN:08313035)

#During the Year 2018-19, Mr. Bipin R Patel, (DIN: 01186974) Independent Director of the company had resigned from the Board and committees w.e.f. 25th October 2018 due to his pre-occupancy, age and willing to devote more time to Social work. Further, Mr. Bipin R Patel had provided confirmation that there was no such material reason other than those provided under his resignation letter.

@During the Year 2018-19, the Board of Directors has appointed Dr. Parin D Shah (DIN: 08313035) as an Additional cum Independent Director to the Board of Directors of the Company w.e.f. 29th December 2018.

Further Note that, Dr. Parin Shah has resigned from the Board and from all Committees in which he was member/ Chairman w.e.f 05-07-2019 due to coming across the opportunity (job) in government Sector and as per terms and Conditions to service of Government, he is restricted to continue as additional cum Independent Director or associate with any Organisation/Companies (either in Executive or Non Executive basis).Further, Dr. Parin D Shah, Independent Director of the Company make confirmation in his resignation that there is no such other material reason apart from above for his resignation.

Notes:

- None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, it's promoter, its management during the Year 2018-19, which may affect independence of the Independent Directors.
- All Directors mentioned above as Independent Directors, they fall within the expression of "Independent Directors" as mentioned in regulation 16(b) of the SEBI (Listing Obligation and Disclosure) Regulations, 2015.
- The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has received a declaration from each of the Independent Directors confirming compliance with the criteria of Independence as laid down under this regulation as well as Section 149(6) of the Companies Act, 2013.
- In accordance with the erstwhile Clause 49 of the Listing agreement, the Company has issued formal Letter of Appointment to all the Independent Directors. The terms and Conditions of their appointment have also been disclosed on the website of the Company. www.bodal.com

b. Board Meeting and Agenda:

The Board generally meets once in a quarter to review the Quarterly/Half Yearly/Annual performance and financial result of the Company. The Compliance Reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/ documents are made available to the Board to discharge its responsibility effectively and take effective decisions. The information as specified in Regulation 17(7) of the SEBI (LODR) Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration.

The Company Secretary, while preparing the Agenda, Notes to Agenda and Minutes of the Meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including Companies Act, 2013 read with rules issued

REPORT ON CORPORATE GOVERNANCE (CONTD.)

thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India (ICSI). Draft Minutes are circulated to the Board/Committee Board Members for their comments. The Minutes are entered in the Minutes Book within 30 days from the Conclusion of the meeting. The Company Secretary attends and acts to as secretary of all the Meetings of the Board and its Committees.

Attendance record of Board meetings:

During the Year, 2018-19, 5(Five) Board meeting were held on 29.05.2018, 14.08.2018, 25.10.2018, 29.12.2018 and 06.02.2019. The time gap between two Board Meetings was less than 120 days.

Details regarding attendance of Board Meeting held during Year 2018-19 and the Last Annual General Meeting held on Monday, the 17th September 2018.

Sr. No.	Name of Director	Designation	Total Number of Board Meetings during 2018-19	No. of Board Meetings attended	Attendance at the Last AGM
1	Mr. Suresh J. Patel	Chairman & Managing Director	5	5	Yes
2	Mr. Bhavin S. Patel	Executive Director	5	4	Yes
3	Mr. Ankit S. Patel	Executive Director	5	5	Yes
4	Mr. Bipin R. Patel	Independent Director (resigned from the Board w.e.f. 25th October 2018)	5	3	Yes
5	Mr. Sunil K. Mehta	Independent Director	5	5	Yes
6	Mrs. Neha Huddar	Independent Director	5	4	No
7	Mr. Nalin Kumar	Independent Director	5	4	No
8	Dr. Parin D Shah	Independent Director (appointed as an Additional Director to the Board of Directors of the Company w.e.f. 29th December 2018 up to 05-07-2019)	5	1	Not Applicable

Details regarding Directorship(s) and Committee Membership(s) in Other Listed Companies:

Name of Director	BOARD**		Committees**	
	Chairman	Member	Chairman	Member
Mr. Suresh J. Patel	NIL	NIL	NIL	NIL
Mr. Bhavin S. Patel				
Mr. Ankit S. Patel				
Mr. Sunil K Mehta				
Mr. Nalin Kumar				
Mrs. Neha Huddar				
Dr. Parin D Shah@				

Notes:

- (1) **This number excludes the directorships/committee memberships held in private companies, a company registered under Section 25 of Companies Act 1956/ under Section 8 of the Companies Act, 2013 and also of the Company. Committee includes Audit Committee and Stakeholders' Grievance Committee as per Regulation 26 of SEBI (LODR) Regulations, 2015

In Bodal, the Board has constituted Six Standing Committees, namely Audit Committee, Share Transfer Committee, Stakeholders' Relationship Committee/Investor Grievance Committee, Nomination and

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Remuneration Committee, Corporate Social Responsibility Committee and Management Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

@ Dr. Parin Shah has resigned from the Board w.e.f. 05-07-2019.

C. Details of Share Holdings of Executive and Non-Executive Directors as on 31.03.2019:

Sr. NO	Name of Director With Designation	Status/Category	Relationship between Directors	No. of Share Held as on 31.03.2019	% holding as on 31.03.2019
1	Mr. Suresh J. Patel Chairman & M. D.	Promoter/ Executive Director	Mr. Bhavin S Patel, Executive Director and Mr. Ankit S Patel, Executive Director are sons of Mr. Suresh J Patel (Chairman and MD)	3,71,12,857	30.37%
2	Mr. Bhavin S. Patel Executive Director	Promoter group/ Executive Director	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Ankit S Patel, Executive Director is brother of Mr. Bhavin S Patel (Executive Director)	1,04,96,342	8.59%
3	Mr. Ankit S. Patel Executive Director	Promoter group/ Executive Director	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Bhavin S Patel, Executive Director is brother of Mr. Ankit S Patel (Executive Director)	72,61,072	5.94%
4	Mr. Sunil K Mehta Independent Director	Independent Director/ Non-Executive Director		2,00,000	0.16
5	Mr. Nalin Kumar Independent Director	Independent Director/ Non-Executive Director		NIL	NIL
6	Mrs. Neha Huddar Independent Director	Independent Director/ Non-Executive Director		1,000	0.00
7	Dr. Parin D Shah@	Independent Director/ Non-Executive Director		NIL	NIL

@ Dr. Parin Shah has resigned from the Board w.e.f. 05-07-2019

d. Code of Conduct

The Company has adopted a revised/amended Code of Conduct for Directors and Senior Management of the Company as per Regulation 17(5) of the SEBI (LODR) Regulations, 2015 and subsequent amendments as SEBI (LODR) Amendments Regulations, 2018. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the financial year ended 31st March 2019. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report. The code has been displayed on the Company's website www.bodal.com.

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DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ENSUING ANNUAL GENERAL MEETING

The information as required by regulations 26 & 36(3) of the SEBI (LODR) regulation, 2015 with the stock exchange in relation to appointment/reappointment of Directors of the Company are as follows:

Name of the Director	Mr. Ankit S Patel	Mr. Bhavin S. Patel
DIN	02173231	00030464
Date of Birth	01-11-1982	05-01-1981
Date of First Appointment	24-05-2008	01-06-2005
Qualification	Bachelor in Economics, MBA (Finance)	Bachelor of Science (B.Sc.)
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*	- YPO(Gujarat) - Bodal Chemicals Trading Pvt. Ltd.	Bodal Chemicals Trading Pvt. Ltd.
Specific Functional Areas/Experience	Mr. Ankit S Patel holds a graduate degree in economics from university of Nevada and Master's degree in business administration from Devry University. He has been significantly involved in the development of the sulphuric acid plant of our Company. He has been associated with Bodal Chemicals Ltd for 10years. He heads basic chemicals division at our Company including production, marketing and new growth areas. He is leading the LABSA initiatives and upcoming basic chemicals projects of Bodal Chemicals Ltd.	Mr. Bhavin S Patel holds a graduate degree in Science, Having more than 14 years of Experience in the Chemical Industry specially in marketing of dyes and dyes intermediates. Mr. Bhavin S Patel heads the dyestuff division of the Company, including production, Marketing and new growth areas. He is leading the liquid dyestuff initiatives also.
Chairmanship / Membership of Committee (s) of Board of Director of the Company.	Member in Share transfer Committee, Management Committee, and Corporate Social Responsibility Committee.	Member in Audit Committee, Security Holders Relationship Committee, Management Committee, Share Transfer Committee
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	NIL	NIL
Shareholding in the Company as on 31-03-2019 & percentage of paid up capital	7261072 (5.94%)	10496342 (8.59%)

*This number of companies also includes the Directorship held in a Pvt. Ltd Companies; Foreign Companies and Company registered u/s 8 of Companies Act, 2013.

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Name of the Director	Mr. Kishor Kumar Radadia	Mr. Ram Prasad Srivastava
DIN	08532580	02227457
Date of Birth	01-06-1968	08-06-1943
Date of First Appointment	01-09-2019	13-08-2019
Qualification	M.B.A. (Operations management), M.Sc. (Industrial Chemistry)	Graduate
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*	NIL	VIDHI GLOBAL CHEMICALS LIMITED
Specific Functional Areas/Experience	Mr. Kishorkumar Radadia is having Experience of more than 24 years in the area of the Health, Safety and Environment (HSE). he has In-depth understanding of safety methods; proven abilities in coordinating/ leading a variety of people and projects and has Expertise in developing & monitoring the Safety Systems and implementing Integrated Management System. He has worked in various organizations as a Senior (head) for HSE and having Competency in devising significant solutions and implementing health safety management systems. To conduct process risk assessment for plant processes by systematic identification of hazards. To ensure outcome of PRA is implemented by applying engineering & administrative controls to mitigate hazards, Proficient in conducting Safety Internal Audits & Risk Assessment, implementing training and introducing various measures to achieve high safety in the organization. Deft in establishing and implementing Safety, EMS Standard & Training Procedure as per ISO 9001/ 14001 & OHSAS	Worked in India and abroad having experience of putting up chemical plant capable of producing speciality chemicals, dyes and pigments etc. From concept to commercial operation, during carrier he was associated with hoechst, colour chem and vanavil
Chairmanship / Membership of Committee (s) of Board of Director of the Company.	NIL	NIL
Chairman/Member of the Committee(s) of Board of Directors of other Public Limited Companies in which he is a Director	NIL	NIL
Shareholding in the Company as on 31-03-2019 & percentage of paid up capital	NIL	NIL

*This number of companies also includes the Directorship held in a Pvt. Ltd Companies; Foreign Companies and Company registered u/s 8 of Companies Act, 2013.



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COMMITTEE OF THE BOARD

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consists of four Directors. All the members of the Committee are financially literate. The Chairman of the Committee is Mr. Sunil K Mehta, Non Executive Independent Director. The other Members of the Committee are Mr. Nalin Kumar, Non Executive Independent Director, Dr. Parin D Shah, Non Executive Independent Director & Mr. Bhavin S. Patel, Executive Director.

❖ Brief description of terms of reference:

The terms of reference of the Audit Committee cover the matters specified Under Regulation 18 read with Part C of Schedule II to the SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the 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 the auditor's report thereon, before submission to the Board for approval, with particular reference to:
 - Matters required to be included in Director's Responsibility Statement included in Board's report;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries based on exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;

- Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications 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, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
 7. Review and monitor the auditors' independence and performance, and effectiveness of 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, 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 thereon.
 15. Reviewing the findings of any 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 nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



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17. To look 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. To review the functioning of the Whistle-Blower mechanism.
19. Approval of appointment of Chief Financial Officer.
20. To review report submitted by Monitoring Agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year under review, the Committee met 04 times on 29.05.2018, 14.08.2018, 25.10.2018 and 06.02.2019. Attendance of the Members at the meetings was as follows:

Name of Members	Status		No. of Meeting attended during 2018-19
	Category	Designation	
Mr. Bipin R. Patel*	Independent-Non Executive Director	Chairman*	03
Mr. Bhavin S. Patel	Executive Director	Member	03
Mr. Sunil K Mehta	Independent-Non Executive Director	Member/Chairman*	04
Mr. Nalin Kumar	Independent-Non Executive Director	Member	01
Dr. Parin D Shah@	Independent-Non Executive Director	Member@	01

Notes:

* Mr. Bipin R Patel has resigned as Independent Director and Chairman/member of the committee of Board of Directors of the Company w.e.f. 25-10-2018. Further, Board Members reconstitute Audit Committee at their Board meeting held on 29th December 2018 in that meeting, Dr. Parin D Shah and Mr. Nalin Kumar have been inducted as members of Audit Committee and Mr. Sunil K. Mehta is designated as Chairman of Audit Committee of the Company.

@ Dr. Parin D. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 05-07-2019. Further, Board Members reconstitute Audit Committee at their Board meeting held on 12th July 2019 in that meeting, Mrs. Neha Huddar has been inducted as member of Committee.

Mr. Ashutosh B. Bhatt is acting as Secretary to the Audit Committee.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information.

The following business was conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.
- Review of annual financial statements for the financial year 2018 -19.
- Review of related party disclosures by the Directors.
- Review of Business performance of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the Board consists of Independent Directors only.

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During the year under review, the Committee met 03 times on 29.05.2018, 14.08.2018 and 25.10.2018. Details of Members of the Committee and attendance of the members at the meetings were as follows:

Name of Members	Status		No. of Meeting attended during 2018-19
	Category	Designation	
Mr. Bipin R. Patel*	Independent-Non Executive Director	Chairman*	03
Mr. Sunil K. Mehta*	Independent-Non Executive Director	Member/Chairman*	03
Mr. Nalin Kumar	Independent-Non Executive Director	Member	03
Dr. Parin D Shah@	Independent-Non Executive Director	Member	NA

Notes:

* Mr. Bipin R Patel has resigned as Independent Director and Chairman/member of the committee of Board of Directors of the Company w.e.f. 25-10-2018.

Further, Board Members reconstitute NRC Committee at their Board meeting held on 29th December 2018 in that meeting, Dr. Parin D Shah inducted as member of NRC Committee and Mr. Sunil K. Mehta is designated as Chairman of NRC Committee of the Company.

@ Dr. Parin D. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 05-07-2019. Further, Board Members reconstitute Nomination and Remuneration Committee at their Board meeting held on 12th July 2019 in that meeting, Mrs. Neha Huddar has been inducted as member of Committee.

Mr. Ashutosh B. Bhatt is acting as Secretary to the NRC Committee.

All the members of the Nomination and Remuneration Committee are Non Executive Independent Directors.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI LODR.

❖ Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of Independent Directors and the Board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal
- Whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Remuneration Policy:

The Remuneration Committee of the Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration of Key Managerial Personnel is to be recommended by the NRC Committee to Board.

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks, which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- **Following criteria are also to be Considered:-**
 - Responsibilities and duties;
 - Time & efforts devoted;
 - Value addition;
 - Profitability of the Company & growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick;
 - Standards for certain functions where there is a scarcity of qualified resources.

- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated/ disclosed adequately.

Remuneration paid to Executive Directors for the Financial Year 2018-19.

The remuneration paid to Executive Directors is recommended by NRC Committee and fixed by the Board of Directors and approved by the shareholders in general meetings. The remuneration paid to Executive Directors in pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration paid to Executive Directors are as below:

(Amount in ₹)

Particulars	Mr. Suresh J. Patel	Mr. Bhavin S. Patel	Mr. Ankit S. Patel
	Chairman & Managing Director	Executive Director	Executive Director
Salary	1,08,00,000	72,00,000	72,00,000
Perquisites of car	39,600	39,600	39,600
Leave Travel Allowance	1,84,456	14,61,095	7,55,900
Sitting Fees	NA	NA	NA
Commission	4,35,00,000	3,25,00,000	3,25,00,000
Total	5,45,24,056	4,12,00,695	4,04,95,500

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Remuneration paid to Non-Executive Directors for the Year 2018-19.

(Amount in ₹)

Name of Non Executive - Independent Director	Sitting Fees	Total
Mr. Bipin R. Patel@	75,000	75,000
Mr. Sunil K. Mehta	1,25,000	1,25,000
Mr. Nalin Kumar	1,00,000	1,00,000
Dr. Parin D Shah	25,000	25,000
Mrs. Neha Huddar	1,00,000	1,00,000
Total	4,25,000	4,25,000

Notes:

@ Mr. Bipin R Patel has resigned as Independent Director and Chairman/member of the committee of Board of Directors of the Company w.e.f. 25-10-2018.

Further, Board Members reconstitute NRC Committee at their Board meeting held on 29th December 2018 in that meeting, Dr. Parin D Shah inducted as member of NRC Committee and Mr. Sunil K. Mehta is designated as Chairman of NRC Committee of the Company.

There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors.

The Company has paid sitting fees to Non-Executive Directors and no stock option is available to the Directors.

No remuneration or Commission is paid to the Non-Executive Directors apart from sitting fees for attending the meeting of Board of Directors.

Stakeholders Relationship Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013 and the Listing Regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievance & Relationship Committee". The Stakeholder's Grievance & Relationship Committee as a Committee of the Board has been constituted mainly to focus on the redressal of Shareholders' and Investors' Grievances, if any, like transfer/transmission/dematerialisation of shares, loss

of share certificates, non-receipt of Annual Report, Dividend Warrants and various other grievances of many stakeholders.

❖ Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

❖ Composition, Meetings and attendance:

During the Financial Year, 4 meetings were held on 29-05-2018, 14-08-2018, 24-10-2018 and 06-02-2019.

Name of Members	Category	Designation	Attendance
Mr. Bipin R. Patel*	Independent-Non Executive Director	Chairman*	03
Mr. Sunil K Mehta*	Independent-Non Executive Director	Chairman/Member*	04
Mr. Bhavin S. Patel	Executive Director	Member	03
Dr. Parin D Shah*	Independent-Non Executive Director	Member*	01

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Notes:

* Mr. Bipin R Patel has resigned as Independent Director and Chairman/member of the committee of Board of Directors of the Company w.e.f. 25-10-2018. Further, Board of Directors have reconstituted Stakeholders Relationship Committee at their meeting held on 29th December 2018, in that meeting, Dr. Parin D Shah has been inducted as member of the Committee and Mr. Sunil K. Mehta is designated as Chairman the Committee.

Name and Designation of Compliance Officer

Mr. Ashutosh B. Bhatt

Company Secretary & Compliance Officer

Details of Shareholders'/Investors' Complaints

Link Intime India Pvt. Ltd (RTA) the Company, and SCORES- the official website of SEBI received shareholders/investors complaints and they were resolved by the company/the RTA in consultation with the Company for the Year 2018-19. The details are as follows:

Sr. No.	Nature of Complaints	Opening Balance 01-04-2018	Received during the year	Redressed/ attended	Pending as on 31-03-2019
1	Non receipt of share certificates after transfer etc.	NIL	NIL	NIL	NIL
2	Non receipt of Dividend Warrants	NIL	NIL	NIL	NIL
3	Query regarding demat credit	NIL	NIL	NIL	NIL
4	Non receipt of duplicate share certificates after issue	NIL	NIL	NIL	NIL
5	Others Received from SEBI	NIL	02	02	NIL
	Total	NIL	02	02	NIL

❖ Prohibition of Insider Trading

The Company in their meeting held on 06th February, 2019 adopted revise code of practice and Procedures and code of conduct to regulate, Monitor and Report Trading in Securities by designated persons and relative of designated persons in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018 and Code of Practices and Procedures for fair Disclosures of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018

SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee are as below:

❖ Composition

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member



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The role, terms of reference, authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

MANAGEMENT COMMITTEE

❖ Composition

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member

INDEPENDENT DIRECTORS MEETING

A Separate meeting of Independent Directors of the Company was held on 06th February, 2019 without the presence of Non-Independent Directors and Members of Management. The Independent Directors reviewed following matter in their Meeting:

- I. Performance of Non Independent Directors and the Board as whole
- II. Performance of Chairperson of the Board taking into account the view of Executive Directors and Non-Executive Directors; and
- III. Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties and The Independent Directors have expressed satisfaction.

DIRECTORS' INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has made a familiarisation Programme for the Independent Directors. The Company has been giving information and updates about the work and progress of Company from time to time to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise for the new Directors at the time of appointment.

A brief introduction about the Company and its main subsidiary and Organisational structure is made. Inductee has been provided with the latest Annual Report, Code of Conduct applicable to Directors / Senior management of

the Company, the 'Bodal Chemicals Ltd Code of Conduct for Prevention of Insider Trading and Bodal Chemicals Ltd Code of Corporate Disclosure Practices' of the Company.

A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

The inductee has been introduced with the Key Managerial Personnel of the company. A visit to the Company's Plants was arranged.

Detailed of Familiarisation program is also available on website of the Company www.bodal.com

MATRIX SETTING OUT SKILL BOARD OF DIRECTORS:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

1	Technical skills- Chemical Industry
2	Business operation and management
3	Research and Development
4	Project Management
5	Risk management
6	Quality and Performance management
7	Board and Governance
8	Strategic planning
9	Global market awareness
10	Finance, Accounting, Auditing,
11	Indian Corporate Laws
12	Safety management
13	Stakeholder Engagement
14	Merger and acquisitions
15	Government and Government/ industrial policy which in impact to Chemicals business sector
16	Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products
17	Business Ethics as well as Corporate Ethics
18	Human Resources Management and labour Relations/ Labour Laws



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Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of section 135 of the Companies Act, 2013 the Board has formed a "Corporate Social Responsibility (CSR) Committee".

Composition and Attendance of the Meeting:

During the financial year, 4(Four) meetings were held on 28-05-2018, 14-08-2018, 24-10-2018 and 06-02-2019.

Name of Members	Status		No. of Meeting attended during 2018-19
	Category	Designation	
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman	04
Mr. Bipin R Patel#	Independent-Non Executive Director	Member	03
Mr. Ankit S. Patel	Executive Director	Member	04
Mr. Sunil K Mehta	Independent-Non Executive Director	Member	01

Notes:

Mr. Bipin R Patel has resigned as Independent Director and Chairman/member of the committee of Board of Directors of the Company w.e.f. 25-10-2018.

Further, Board Members reconstitute CSR Committee at their Board meeting held on 29th December 2018 in that meeting, Mr. Sunil K. Mehta is inducted as member of CSR Committee of the Company.

The Committee meets as and when required. The Committee inter alia devises/recommends to the Board, a CSR policy which indicates activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Activities and programmes undertaken by the Company and the amount spent by the Company are given as part of Annexure to Directors Report. This Policy can be accessed from the Company's website-www.bodal.com

OTHER POLICIES MANDATED UNDER SEBI (LODR) REGULATIONS, 2015

❖ Archival Policy

In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, the Company discloses on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and there after determine further action as per the archival policy of

the Company. This policy can be accessed from the Company's website-www.bodal.com and its weblink-https://bodai.com/live.php?data=6_I2

❖ Policy for preservation of Documents

In Compliance with Regulation 9 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website-www.bodal.com and its weblink-https://bodai.com/live.php?data=6_I2

❖ Policy for Determining Materiality of Events

In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, the Board of Directors has adopted a policy on Determining Materiality of Events or Information. The objective of this policy is to ensure timely and adequate disclosure of events or information. This Policy can be accessed from the Company's website-www.bodal.com and its weblink-https://bodai.com/live.php?data=6_I2

❖ Policy for Determining Material Subsidiaries

In compliance with requirement of Clause 49(V)(D) of the Listing Agreement. The Board of Directors adopted a policy on Determining Material Subsidiaries. This Policy is intended to ensure the governance of the Company's Material Subsidiaries. This Policy can be accessed from the Company's website-www.bodal.com and its weblink- https://bodai.com/live.php?data=6_I2



REPORT ON CORPORATE GOVERNANCE (CONTD.)

❖ Whistle Blower Policy

The Company encourages an open door policy (called Whistle Blower Policy) where employees have access to the Head of the business /function. In terms of Company's Code of Conduct, any instance of non adherence to the code / any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee. This Policy can be accessed from the Company's website-www.bodal.com and its weblink-https://bodal.com/live.php?data=6_I2

❖ Policy on Board Diversity

The Company recognizes and embraces the benefit of having a diverse Board of Directors and views increasing

diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-www.bodal.com and its weblink-https://bodal.com/live.php?data=6_I2

❖ Policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information

In compliance with requirement of regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 The Board of Directors adopted a policy on procedure for Inquiry in case of leak of Unpublished Price Sensitive Information. This Policy can be accessed from the Company's website-www.bodal.com and its weblink- https://bodal.com/live.php?data=6_I2

❖ Statutory Auditor's remuneration:

Disclosures of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor as required by the provisions of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 is ₹ 2.25 Millions.

GENERAL BODY MEETINGS:

Details of the last three years Annual General Meetings (AGM) or Extra Ordinary General Meetings (EGM) are as under:

YEAR	DATE	TIME	VENUE
2015-16 AGM	20-09-2016	11.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009
2016-17 AGM	23-09-2017	03.00 P.M.	Ahmedabad Management Association (AMA), ATIRA Campus, Dr. V.S. Marg, IIM-A Road, Vastrapur, Ahmedabad- 380 015
2017-18 AGM	17-09-2018	11.00 A.M	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009

Details of the Special Resolution Passed at the previous three Annual General Meeting

Sr. No.	Date of AGM	Details of Special Resolutions Passed
1	17-09-2018	I. Appointment of Mr. Suresh J. Patel, as Chairman and Managing director of the Company for the term of 2 years.
		II. Appointment of Mr. Bhavin S. Patel, as Executive director of the Company for the term of 5 years.
2	23-09-2017	I. Alteration of Article of Association of the Company as per the provisions of the Companies act, 2013
		II. To approve Employees Stock Option Scheme and to give authority to issue Equity Shares under ESOP Scheme.
		III. To approve Fund raising through Qualified Institutional Placement.



REPORT ON CORPORATE GOVERNANCE (CONTD.)

Sr. No.	Date of AGM	Details of Special Resolutions Passed
3	20-09-2016	<p>I. For obtaining consent of Shareholders for Maintenance of Register and Index of Members of the Company under Section 88 and Copies of the Return prepared under Section 94 of Companies Act, 2013 shall be kept at the registered office of the Company and or be shifted and maintained with RTA of the Company.</p> <p>II. For obtaining consent of Shareholders for Re- Appointment of Mr. Ankit S. Patel, as Executive Director of the Company for a period of three years w.e.f. 24-05-2016 to 23-05-2019.</p>

The special resolutions indicated above were passed by Ballot Paper at the venue of General Meeting and E- Voting.

Resolution passed through Postal Ballot:

Further after completion of 2018-19 and for Stakeholders information, The Company had passed special resolutions through postal Ballot process (including e-voting) as prescribed under Section 108 and 110 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendments Rules, 2015, and other applicable provisions, if any of the Companies Act, 2013.

The Company had appointed Mr. Devesh Khandelwal proprietor of M/s. Khandelwal Devesh and Associates, Practicing Company Secretaries, as a scrutinizer to scrutinize the postal ballot process in a fair and transparent manner. The Voting period for e-voting and postal Ballot was commenced on Tuesday 28th May, 2019 at 10.00 a.m. and ended on Wednesday 26th June, 2019 at 5.00 P.M. The results of the Postal Ballot (including E-voting) was announced on 28-06-2019, The Resolutions were approved and passed by the members of the Company with requisite majority.

The Details of the Postal Ballot (including E-voting) Results were as under:

Resolution No: 1

To approve reclassification of Authorised Share Capital of the Company (Ordinary Resolution):

i Voted in favour of the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid vote casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	10	68311922	83.02
Public			
Physical	01	10	Negligible
Electronic (E-voting)	121	13960975	16.97
Total	132	82272907	99.99

ii. Voted against the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid vote casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	18	7702	0.01
Total	18	7702	0.01



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iii. Votes Invalid

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid vote casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Total	-	-	-

Resolution No: 2

To issue convertible warrants to promoter(s)/Promoter Group and to Non-Promoters Group of the Company on preferential Basis (Special Resolution):

i. Voted in favour of the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid vote casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	10	68311922	83.02
Public			
Physical	01	10	Negligible
Electronic (E-voting)	106	11478310	13.95
Total	117	79790242	96.97

ii. Voted against the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid vote casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	32	2490297	3.03
Total	32	2490297	3.03

iii. Votes Invalid

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid vote casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Total	-	-	-



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Accordingly, all the Resolutions (at item no. 1 to 2 of the notice) were passed by the Shareholders with requisite majority by means of postal ballot and deemed to be passed on 26th June 2019, being the last date of voting (E-voting and Physical Postal Ballot).

The Voting result along with the Scrutinizer's Report were displayed on the Company's notice Board and also on the website of the Company www.bodal.com. The results were also communicated to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, where the Shares of the Company are listed as required under the provisions of the Listing Regulations.

Details of Holding/Subsidiary/Associates Companies (as on 31st March 2019):

Name of the Company	CIN	Holding/Subsidiary/ Associate	% of Share Held	Applicable Section
Trion Chemicals Pvt Ltd	U51900GJ2009PTC056781	Subsidiary	59%	2(87)
S P S Processors Pvt Ltd	U18201DL2002PTC115883	Subsidiary	70%	2(87)
Bodal Chemicals Trading Pvt Ltd	U51597GJ2018PTC105513	Wholly Owned Subsidiary	100%	2(87)
Bodal Chemicals trading Shijiazhuang Ltd-China	----	Foreign Wholly Owned Subsidiary	100%	2(87)

OTHER COMPLIANCES:

Basis of related party transactions

- The Company has no materially significant related party transactions with its promoters, the Directors or the management or their relatives etc. that may have potential conflicts with the interests of the Company at large.

For details, about related parties transactions see Note No. 41 of Notes on Financial Statements of the Company.

Compliance by the Company

- There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

Disclosure of Accounting Treatment

- In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Risk management

- Business risk evaluation and management is an ongoing process within the Organisation. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

SHAREHOLDERS' INFORMATION

1	Registered Office	Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445
	Corporate Office	Bodal Corporate House, Beside Maple Green Residency, Near Anand Niketan school, Nr. Shilaj Ring Road Circle, Thaltej, Ahmedabad-380059
2	Annual General Meeting Date, Time and Venue	Friday, the 20th day of September 2019 at 11.00 A.M. at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad- 380 009.
3	Financial Year	2018–2019 (consisting of 12 months) 01/04/2018 to 31/03/2019
4	Date of Book Closure	Saturday, 14th September 2019 to Friday, 20th September 2019 (Both days inclusive)
5	Listing on Stock Exchange	BSE LTD Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
		National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai 400 051
6	Stock Codes	BSE Scrip Code: 524370
		NSE Scrip Code: BODALCHEM
		Demat ISIN: INE338D01028
		CIN: L24110GJ1986PLC009003
7	Types of Security	Equity Shares
	No. of paid up shares	122188765 equity shares of ₹ 2/- each fully paid
	Market lot of shares	1 Equity Share
8	Registrar & Share Transfer Agent	M/s. Link Intime India Pvt Ltd. Mumbai: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083. Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellishbridge, Ahmedabad – 380 006. E-mail - ahmedabad@linkintime.co.in Tel.: 079-26465179 Fax: 079-26465179
9	Compliance Officer / Company Secretary	Mr. Ashutosh B. Bhatt Bodal Corporate House, Beside Maple Green Residency, Near Anand Niketan school, Nr. Shilaj Ring Road Circle, Thaltej, Ahmedabad-380059 Phone No: 079 68160100, 079 25835437 Fax No: 079 2583 4223, 2583 5437
10	Depository System	Currently 99.44% of the Company share capital is held in dematerialized form. For any assistance in converting physical shares in electronic form, investor may approach Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
11	Bank details for Electronic Shareholding	Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their bank.

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12	Furnish copies of Permanent Account Number (PAN)	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002
13	Investor complaint to be addressed to	Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
14	E-mail ID of Grievance Redressal Division	secretarial@bodal.com
15	Payment of Listing Fees	Annual listing fee for the financial year 2019-20 has been paid by the Company to BSE & NSE
16	Payment of Depository Fees	Annual Custody / Issuer fee for the Financial Year 2019-20 has been paid by the Company to CDSL & NSDL.
17	Outstanding Warrants GDRs/ADRs, and Convertible Bonds, Conversion date and likely impact on equity	Not Applicable
18	Plant Locations	<p>Unit-I Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad.</p> <p>Unit-II Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad.</p> <p>Unit-III Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad.</p> <p>Unit-IV Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad</p> <p>Unit VI Plot No. 606, 607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.</p> <p>Unit VII Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p>Unit VIII Block No.106, 108, Village: Ekalbara, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p>Unit IX Block No. 598/A, Village: Piludra, Ta. Jambusar, Dist. Bharuch, Gujarat.</p> <p>Unit X Plot No: 525, Village: Dudhwada, Ta: Padra, Dist: Vadodara, Guajart</p>
19	Nomination Facility	It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.
20	Change in Shareholders details / Investors Communication	<p>In case you are holding your shares in dematerialized form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent M/s. Link Intime India Pvt Ltd., at address mentioned below.</p> <p>Mumbai Office: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083.</p> <p>Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad – 380 009. E-mail - ahmedabad@linkintime.co.in</p> <p>079 - 2646 5179</p>

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21	Physical Transfer of Shares	All shareholders who hold shares in physical are requested to demat their holding, as from 01-04-2019 transfers of physical shares has been banned and only demate transfer can be done.			
22	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year	Ratings for 2017-18		Ratings for 2018-19	
		India Ratings	CARE Rating	India Ratings	CRISIL Rating
		IND A+	CARE A	IND A+	CRISIL A+
		IND A+	CARE A1	IND A1+	CRISIL A1+

Share Transfer System:

Company has appointed M/s. Link Intime India Private Limited for dealing in with the Shares of the Company in physical and electronic mode, the process of transfers of shares will be completed by them at earliest, subject to the documents being valid and complete in all aspects.

Results were announced During 2018 - 19 (1st April 2018 to 31st March 2019)

Sr. NO.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2018	14-08-2018
2	Unaudited Quarterly Results for the Quarter ended on 30th September 2018	25-10-2018
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2018	06-02-2019
4	Audited Financial Results for the financial year ended 31st March 2019	21-05-2019

Results will be announced during F.Y. 2019-20 (1st April 2019 to 31st March 2020): (Tentative)

Sr. NO.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2019	Second week of August, 2019
2	Unaudited Quarterly Results for the Quarter ended on 30th September 2019	Last week of October, 2019
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2019	Last week of January, 2020
4	Audited Financial Results for the financial year ended 31st March 2020	Last week of May, 2020

Stock Data: Monthly equity share price data on BSE and NSE for the year 2018-19 are as under.

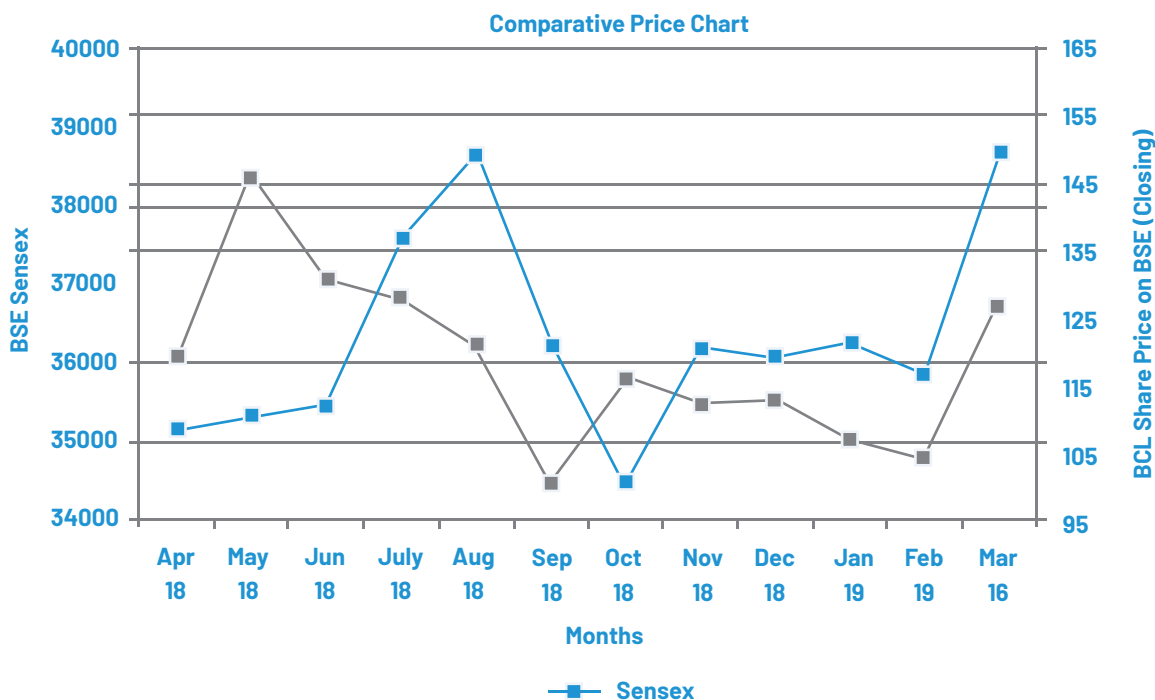
NSE				
Month	High Price	Low Price	Close Price	Volume No. of Shares
April-18	144.00	114.50	118.40	62,24,270
May-18	156.20	110.50	147.60	1,62,23,031
June-18	151.60	118.00	130.85	63,43,762
July-18	136.90	115.10	128.45	46,65,194
August-18	135.50	115.00	120.50	45,86,621
September-18	122.00	99.00	99.80	30,65,201
October-18	138.90	95.50	116.25	75,52,591
November-18	129.00	109.80	112.70	23,61,586
December-18	114.70	102.50	113.45	13,11,130
January-19	122.10	102.00	106.65	17,09,881
February-19	108.30	90.05	104.30	20,10,160
March-19	127.15	104.00	126.75	47,56,394

(Source from NSE Website)

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BSE				
Month	High Price	Low Price	Close Price	No. of Shares
April-18	144.05	114.70	118.65	1090665
May-18	156.25	110.25	146.80	3062315
June-18	151.80	118.05	130.55	1170094
July-18	136.50	112.75	128.20	961215
August-18	136.00	117.60	121.00	1054048
September-18	122.90	95.00	100.10	589458
October-18	139.25	95.00	116.00	1788353
November-18	128.75	109.90	112.30	407098
December-18	116.05	103.00	112.90	211182
January-19	121.90	99.15	107.10	287947
February-19	108.50	89.70	104.45	228438
March-19	127.20	104.00	126.75	565572

(Source from BSE Website)



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Shares held in physical and dematerialized form

Equity Shares

Dematerialisation of Shares and liquidity: Company's Paid-up capital has been dematerialized up to 31.03.2019 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Particular	No. of Shares	% of share capital
NSDL	7,79,55,976	63.80
CDSL	4,35,49,745	35.64
Physical	6,83,044	0.56
Total	12,21,88,765	100.00

Note: Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited. Investors can exercise dematerialisation through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

Those shareholders whose shares are held in physical form are requested to dematerialize the same at the earliest in their own interest. Thus, Investors can exercise dematerialisation through a recognized Depository Participant (DP) who is connected to NSDL or CDSL. The DEMAT security code (ISIN) for the equity shares of ₹ 2/- each is **INE - 338 D 01028**.

Bank Mandate for Dividend

As per SEBI Guidelines, it is mandatory for the companies to print bank account details of the shareholders on dividend warrants. Those member who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under :

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2015-16(Interim)	12-08-2015	19-09-2022
2.	2015-16(2nd Interim)	10-03-2016	17-04-2023
3.	2016-17(Interim)	03-08-2016	09-09-2023
4.	2016-17(Final)	23-09-2017	27-11-2024
5.	2017-18(Final)	17-09-2018	22-10-2025

Members who have not encashed their Dividend Warrants or those who have not received the Dividend Warrants so far, are requested to seek issuance of duplicate Dividend Warrants. Otherwise, all above said unclaimed dividend to be transferred to Investor Education and Protection Fund on above said Due Dates. Further, Shareholders are requested to send cancelled Cheque, to claim duplicate dividend warrant.

Further, pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Shares on which dividend has not been encashed for last 7 years have to be transferred to suspense account open by IEPF Authority.

In regard to above, the Company has transferred 75281 Equity Shares of ₹ 2/- each, for Final dividend 2010-11 in respect of which dividends have not been claimed by the Share holders for a period of seven or more consecutive years, to the demate account open by IEPF Authority with CDSL System with depository Participant SBI CAP Securities Ltd.

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Further, The Company has uploaded complete details of such Shares which were transferred to DEMAT Account of IEPF Authority on its website: www.bodal.com.

Furthermore, Shareholders may claim back the shares credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at www.mca.gov.in and www.iepf.gov.in.

Disclosure with respect to Demat suspense account/ unclaimed suspense account

Sr. No.	Particulars	No. of Records/ Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	3314	612835
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	1000
3	Number of shareholders whose shares were transferred from suspense account during the year	356	75281
4	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	3670	688116

Voting rights on these shares, if any, shall remain frozen till the rightful owner of such shares claims the shares

Distribution of Shareholding as on 31-03-2019

According to number of Equity Shares

Sr. No.	SHARES RANGE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1 to 500	41,115	82.3090	54,60,976	4.4693
2	501 to 1,000	4,137	8.2820	33,50,531	2.7421
3	1,001 to 2,000	2,270	4.5444	34,38,514	2.8141
4	2,001 to 3,000	817	1.6356	20,73,101	1.6966
5	3,001 to 4,000	407	0.8148	14,65,639	1.1995
6	4,001 to 5,000	312	0.6246	14,52,323	1.1886
7	5,001 to 10,000	472	0.9449	34,15,797	2.7955
8	10,001 to *****	422	0.8448	10,15,31,884	83.0943
Total		49,952	100.00	12,21,88,765	100.00

Shareholding pattern for equity shares of the Company as on 31-03-2019

Category	As on 31-03-2019			
	No. of members	% of Total Number of Share Holders	No. of Shares	% of Total Shareholding
A	Shareholding of Promoters and Promoter Group			
(i) Indian Promoters-Individuals	8	0.02	6,05,85,042	49.58
(ii) Foreign Promoters- Individuals	2	0.00	1,06,81,174	8.74
Total Shareholding of Promoters and Promoter Group	10	0.02	7,12,66,216	58.32



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B Public Shareholding					
(1)	Institutions				
	a. Mutual Funds	2	0.00	72,98,702	5.97
	b. Foreign Potfolio Investors	36	0.07	76,11,011	6.23
	c. Financial Institutional/Banks	4	0.01	1,43,449	0.12
	d. Insurance Companies	1	0.00	4,000	0.00
	Sub- Total B(1)	43	0.09	1,50,57,162	12.32
(2)	Non Institution				
	Individual Share Capital up to ₹ 2 Lacs	45,806	93.87	2,31,84,499	18.97
	Individual Share Capital excess of ₹ 2 Lacs	18	0.04	44,39,140	3.63
	NBFCs registered with RBI	8	0.02	14,104	0.01
	Any Other				
	a. Bodies Corporate	349	0.72	39,47,917	3.23
	b. Clearing Members	174	0.36	3,93,655	0.32
	c. HUF	1,118	2.29	12,86,489	1.05
	d. Foreign Individuals / NRIs (rep-non rep)	1,444	2.96	16,70,775	1.37
	e. Trusts	3	0.01	33,650	0.03
	f. Director or Director's Relatives	2	0.00	2,01,000	0.16
	g. Foreign Nation/NRI	2	0.00	6,042	0.00
	h. IEPF	1	0.00	6,88,116	0.56
	Sub- Total B(2)	48,925	99.89	3,58,65,387	29.35
	Total Public Shareholding B=B(1) +B(2)	48,968	99.98	5,09,22,549	41.68
	Total (A)+(B)	48,978	100.00	12,21,88,765	100.00

Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans with all stakeholders, which promotes management - shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media/press releases, Earning Presentation, Investor Presentations and Company's website and through green initiatives.

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and Committee meetings were also published in newspapers like Economic Times (English & Gujarati edition), and Western Times (English & Gujarati edition).

Presentations made to institutional investors or to the analysts are available on the website of the Company. www.bodal.com and its weblink- https://bodal.com/live.php?data=5_11

Company's Website

The Company's website is a comprehensive reference on Bodal Chemicals' management, vision, mission, policies, Corporate Announcements, Corporate Governance, Shareholding Pattern, Investor Relations, updates and news. The section on 'Investor Relations' serves to inform the members by giving complete financial details, annual reports, shareholding patterns, presentation made to institutional investors and analysts.

All the above details can be accessed from the website of the Company - www.bodal.com



REPORT ON CORPORATE GOVERNANCE (CONTD.)

CEO AND CFO CERTIFICATION

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s). The annual Compliance Certificate given by Chairman & Managing Director and the Chief Financial Officer is published in the Annual Report.

Compliance Certificate

Certificate from Mr. Tapan Shah, Practicing Company Secretary, confirming compliance with Conditions of Corporate Governance as stipulated under Listing Regulations, 2015 is attached as **Annexure** to this Report.

Secretarial Audit:

Mr. Tapan Shah, Practicing Company Secretary, carried out a Secretarial Audit for 2018-19 pursuant to Section 204 of the Companies Act, 2013 and he has issued a Certificate to that effect. The Certificate issued by Mr. Tapan Shah, PCS vide Form MR-3 is annexed to the Report of the Board of Directors as **Annexure-4**

Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit of the Company in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December 2002, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued /paid up capital of the Company was placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Clause 49 of Listing Agreement with the Stock Exchange(s), the Board Members and senior management personnel of the Company have confirmed compliance with the Code of Conduct for the financial year ended 31st March 2019.

Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements

The Company has complied with requirements of the Listing Agreements pursuant to Regulations 27 read with Part E of Schedule II of SEBI (LODR) Regulations, 2015.

DECLARATION BY THE MANAGING DIRECTOR

I, Suresh J. Patel, Chairman & Managing Director of Bodal Chemicals Ltd, hereby declare that all the Members of Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulations 26(3) of SEBI (LODR) Regulations, 2015.

For and on behalf of the Board of Directors of **Bodal Chemicals Limited**

Suresh J. Patel

Chief Executive Officer, Chairman & Managing Director

(DIN: 00007400)

Place : Ahmedabad

Date : August 13, 2019



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L24110GJ1986PLC009003

Nominal Capital: ₹ 52,00,00,000/-

To,
The Members of
BODAL CHEMICALS LTD
Ahmedabad

I have examined the compliance of conditions of corporate governance by **BODAL CHEMICALS LTD**, for the year ended on 31st March 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulations 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended (the Listing Regulations) (applicable criteria) with respect to Corporate Governance, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My 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.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions of corporate governance as mentioned in paragraph 1 above under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31st March 2019.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Place : Ahmedabad
Date : August 13, 2019

Tapan Shah
Practicing Company Secretary
Membership No. : FCS4476
C P No.: 2839

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CERTIFICATE BY THE CEO & CFO OF THE COMPANY

We, Suresh J. Patel, Chief Executive Officer and Mayur B. Padhya, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief certify that;

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended 31st March 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
 - (b) 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.
2. We also certify, 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.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee :-
 - (a) significant changes in internal control over financial reporting during the year ;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - (c) 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.

For and on behalf of the Board of Directors of **Bodal Chemicals Limited**

Suresh J. Patel

*Chief Executive Officer,
Chairman & Managing Director*

Mayur B. Padhya

Chief Financial Officer

Place : Ahmedabad

Date : May 21, 2019

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 of
BODAL CHEMICALS LIMITED
Plot No 123 And 124 Phase -1
GIDC, Vatva,
Ahmedabad 382445

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **BODAL CHEMICALS LIMITED**, having **CIN L24110GJ1986PLC009003** and having registered office at Plot No 123 And 124 Phase -1 GIDC, Vatva, Ahmedabad 382445 (hereinafter referred to as 'the Company'), produced before me 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 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	Date of appointment in Company
1.	Sureshbhai Jayantibhai Patel	00007400	*01/06/2005
2.	Bhavin Suresh Patel	00030464	*01/06/2005
3.	Ankit Sureshbhai Patel	02173231	24/05/2008
4.	Neha Sunil Huddar	00092245	10/05/2017
5.	Sunil Kanaiyalal Mehta	01736527	13/12/2017
6.	Nalin Kumar	03060741	13/02/2017
7.	Parin Dinanathbhai Shah	08313035	29/12/2018

* based on Form No. 32 filed by the Company

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

Tapan Shah

Membership No.: FCS4476

CP No.: 2839

Place: Ahmedabad
Date : August 13, 2019

INDEPENDENT AUDITOR'S REPORT

To

**The Members of
Bodal Chemicals Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Bodal Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Occurrence and timely recognition of Revenue:</p> <p>We refer to the Company's accounting policies on Revenue and disclosure in note 2 on Revenue.</p> <p>We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and its non-occurrence. The revenue recognition occurs when the entity satisfies a performance obligation by transferring the promised good at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods to a customer. Since the Company focuses on revenue as a key performance measure, it could create an incentive for revenue to be recognized though the performance obligations have not been satisfied by the Company. Accordingly revenue recognition was determined to be a key audit matter and a significant risk of material misstatement.</p>	<p>Principal audit procedures performed:</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ● Assessed the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards. ● Tested the effectiveness of the Company's controls over the correct and timely recognition of revenue. ● Obtained supporting documentation for sale transactions recorded during the year to determine whether revenue was occurred and recognised in the correct period. ● Assessed the revenue recognized with substantive analytical procedures to ascertain whether the revenue recognised has any unexplained variations ● Assessed the adequacy of the company's disclosures related to revenues.



INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Corporate Governance Report and Management Discussion and Analysis but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for



INDEPENDENT AUDITOR'S REPORT (CONTD.)

expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses



INDEPENDENT AUDITOR'S REPORT (CONTD.)

an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah

(Partner)

(Membership No.35701)

Place : Ahmedabad

Date : May 21, 2019



REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Bodal Chemicals Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING. ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place : Ahmedabad
Date : May 21, 2019

Gaurav J. Shah
(Partner)
(Membership No.35701)



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of 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 a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of the CARO, 2016 is not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Sales Tax, Excise Duty, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

- (c) There were no disputed amounts payable in respect of Goods & Service Tax and cess as at March 31, 2019. Details of dues of Income Tax, Sales Tax, Excise Duty, Service Tax and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount
Income Tax Act, 1961	Demand for Tax	Commissioner of Income Tax (Appeals)	2006-2008	2,48,44,460
		Deputy Commissioner of Income Tax	2013-2014	7,17,650
		Assessing Officer	Various	80,86,047
Central Excise Act, 1944	Demand for Tax and Penalty	Customs Excise and Service Tax Appellate Tribunal	2005-2015	2,65,65,052
		Commissioner (Appeals)	2009-2015	26,99,081
		Assessing Officer	2015-2018	10,17,360
The Finance Act, 1994	Demand for Tax and Penalty	Central Excise and Service Tax Appellate Tribunal	2011-2017	34,23,451

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not borrowed any amounts from government. The Company has not issued any debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah

Place : Ahmedabad

(Partner)

Date : May 21, 2019

(Membership No. 35701)



BALANCE SHEET

AS AT 31ST MARCH 2019

(₹ in Millions)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	5,282.86	4,115.06
Capital Work-in-progress		199.84	144.75
Intangible Assets	3	6.32	6.53
Financial Assets			
Investments	4	197.53	207.06
Loans	5	989.88	437.53
Other Financial Assets	6	46.47	54.17
Non-Current Tax Assets	7	105.83	103.30
Other Non-Current Assets	8	168.40	157.13
Total Non - Current Assets		6,997.13	5,225.53
Current Assets			
Inventories	9	1,851.47	1,121.05
Financial Assets			
Investments	10	5.74	30.08
Trade Receivables	11	2,204.41	2,722.58
Customers Bill Discounted	11	698.94	631.18
Cash and Cash Equivalents	12	66.46	8.37
Other Bank Balances	13	16.98	47.01
Loans	14	75.76	121.93
Other Financial Assets	15	32.15	9.17
Other Current Assets	16	405.17	494.02
Total Current Assets		5,357.08	5,185.39
Total Assets		12,354.21	10,410.92
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	244.38	244.38
Other Equity	18	8,107.82	6,775.18
Total Equity		8,352.20	7,019.56
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	7.77	7.70
Provisions	20	4.10	0.34
Deferred Tax Liabilities (Net)	21	440.46	277.08
Total Non-Current Liabilities		452.33	285.12
Current Liabilities			
Financial Liabilities			
Borrowings	22	654.96	839.88
Customers Bill Discounted	22	698.94	631.18
Trade Payables	23		
(a) Total outstanding dues of Micro and Small Enterprises		26.40	14.38
(b) Total outstanding dues of Others		1,899.97	1,467.38
Other Financial Liabilities	24	124.81	112.94
Other Current Liabilities	25	134.47	17.69
Provisions	26	10.13	5.00
Current Tax Liabilities (Net)	27	Nil	17.79
Total Current Liabilities		3,549.68	3,106.24
Total Liabilities		4,002.01	3,391.36
Total Equity and Liabilities		12,354.21	10,410.92
See Accompanying Notes forming part of the Financial Statements	1-48		

As Per our reports of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad
May 21, 2019

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
May 21, 2019

Ankit S. Patel
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
Company Secretary

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Millions)

	Notes	Year 31st March, 2019	Year 31st March, 2018
INCOME			
Revenue from Operations	28	13,793.62	11,436.42
Other Income	29	146.75	118.80
Total Income		13,940.37	11,555.22
EXPENSES			
Cost of Materials Consumed	30	9,398.34	7,087.84
Purchases of Stock-in Trade	31	1.65	21.25
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	32	(643.17)	(92.48)
Excise Duty on Sale of Goods		Nil	226.39
Employee Benefits Expenses	33	592.27	447.30
Finance Costs	34	69.30	49.24
Depreciation and Amortisation expense	35	182.67	109.26
Other Expenses	36	2,114.57	1,780.17
Total Expenses		11,715.63	9,628.97
Profit Before Tax		2,224.74	1,926.25
Tax Expenses	40		
Current Tax		613.90	557.54
(Short)/Excess Provision of Tax of Prior Years		4.47	(5.34)
Net Current Tax		618.37	552.20
Deferred Tax		165.72	98.61
Net Tax Expense		784.09	650.81
Profit for the Year		1,440.65	1,275.44
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(6.71)	(10.72)
Income Tax relating to items that will not be reclassified to profit and loss account		2.34	3.71
Total Comprehensive Income for the period		1,436.28	1,268.43
Earnings per equity share (Face value of ₹ 2)	42		
Basic (in ₹)		11.78	11.11
Diluted (in ₹)		11.77	11.11
See Accompanying Notes forming part of the Financial Statements	1-48		

As Per Our Reports of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

Gaurav J. Shah

Partner

Membership No. 35701

Ahmedabad

May 21, 2019

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Chief Financial Officer

Ahmedabad

May 21, 2019

Ankit S. Patel

Executive Director

DIN : 02173231

Ashutosh B. Bhatt

Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Millions)

	As at 31st March, 2019		As at 31st March, 2018			
A) Equity Share Capital						
Balance at the commencement of the year	244.38		218.21			
Add : Issue of Shares under Qualified Institutional Placement (refer note 17.2)	Nil		26.17			
Balance at the end of the year	244.38		244.38			
	Reserves & Surplus					
B) Other Equity	Capital Reserves	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings
Balance as at 1st April, 2017 (A)	76.12	289.67	222.04	-	138.86	2,681.99
Additions during the year:						
Profit for the year	-	-	-	-	-	1,275.44
Other Comprehensive Income for the year, net of tax	-	-	-	-	-	(7.01)
Total Comprehensive Income for the Year 2017-18 (B)	-	-	-	-	-	1,268.43
Securities Premium on issue of shares (refer note 17.2)	-	-	2,159.87	-	-	-
Addition due to Employee share based expense (refer note 47)	-	-	-	3.86	-	-
Reductions during the year:						
Dividends	-	-	-	-	-	(54.55)
Tax on Dividends	-	-	-	-	-	(11.11)
Total (C)	-	-	-	-	-	(65.66)
Balance as at 31st March, 2018 (D) = (A+B+C)	76.12	289.67	2,381.91	3.86	138.86	3,884.76
Additions during the year:						
Profit for the year	-	-	-	-	-	1,440.65
Other Comprehensive Income for the year, net of tax	-	-	-	-	-	(4.37)
Total Comprehensive Income for the Year 2018-19 (E)	-	-	-	-	-	1,436.28
Addition due to Employee share based expense (refer note 47)	-	-	-	14.20	-	-
Reductions during the year:						
Dividends	-	-	-	-	-	(97.75)
Tax on Dividends	-	-	-	-	-	(20.09)
Total (F)	-	-	-	-	-	(117.84)
Balance as at 31st March 2019 (D+E+F)	76.12	289.67	2,381.91	18.06	138.86	5,203.20

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad
May 21, 2019

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Ahmedabad
May 21, 2019

Ankit S. Patel
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
Company Secretary

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Millions)

	Year 2018-2019	Year 2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	2,224.74	1,926.25
Adjustment for		
Depreciation and Amortisation Expense	182.67	109.26
Unrealised Foreign Exchange Gain	(27.91)	(17.28)
Fair Value Loss on Investments measured through profit or loss	0.36	7.78
Allowance for doubtful trade receivables	(2.76)	8.34
Finance Cost	69.30	49.24
Expenses recognised in respect of share based payments	14.20	3.86
(Profit) on Sale of Assets (Net)	(0.25)	(9.49)
Interest and Dividend Income	(114.68)	(57.14)
Profit on sale of Investments (Net)	(2.50)	(26.16)
Liabilities No Longer required written back	(11.65)	Nil
Operating Profit before Working Capital Changes	2,331.52	1,994.66
Adjustment for :		
(Increase) / Decrease in Trade Receivables	438.26	(893.92)
(Increase) / Decrease in Inventories	(730.42)	65.52
(Increase) / Decrease in Other Receivables	118.02	(251.55)
Increase / (Decrease) in Trade and Other payables	579.55	(103.68)
Cash generated from Operations	2,736.93	811.03
Income Taxes Paid (Net of Refund)	638.70	590.11
Net Cash generated by Operating Activities (A)	2,098.23	220.92
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment including Capital Work in Progress and Capital Advances	(1,430.67)	(2,207.10)
Sale proceeds of Property, Plant & Equipment	0.86	15.58
Loan given to Subsidiary	(711.01)	(73.86)
Loan given to Associated Concern	(60.26)	(219.97)
Loan repaid by Subsidiary	203.89	329.02
Loan repaid by Associated Concern	17.90	60.76
Loan given to Employees (Net)	(3.82)	(2.25)
Interest/Dividend received	113.98	57.14
Inter corporate Loan received back	47.44	Nil
Inter corporate Loan Given	Nil	(102.47)
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(4.37)	(16.67)
Matured	31.46	3.47
Advance for Investment	10.31	Nil
(Purchase)/Sale of Current Investments	32.58	(3.84)
Proceeds from Redemption of Preference Shares	35.13	Nil
Investment in Equity Shares in Subsidiaries	(31.69)	Nil
Net Cash used in Investing Activities (B)	(1,748.27)	(2,160.19)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

	Year 2018-2019	Year 2017-2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	0.54	1.10
Repayment of Long Term Borrowings	(0.47)	(1.22)
Decrease in Short Term Borrowings (Net)	(104.80)	(157.86)
Proceeds from issue of Equity Shares of the Company	Nil	2,186.04
Finance Cost Paid	(69.30)	(49.24)
Dividend Paid on Equity Shares	(97.75)	(54.41)
Tax on Dividend Paid	(20.09)	(11.11)
Net Cash generated by / (used in) Financing Activities (C)	(291.87)	1,913.30
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	58.09	(25.97)
Cash & Cash Equivalents at the beginning of the year	8.37	34.34
Cash & Cash Equivalents at the end of the year	66.46	8.37

Note : Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

(₹ in Millions)

	Non-Current (Refer Note 19)	Current (Refer Note 22)
Borrowing as on 31st March, 2018	7.70	1,471.06
Cash Flows	0.07	(104.81)
Non Cash Changes - Foreign Exchange Movement	Nil	(12.35)
Borrowing as on 31st March 2019	7.77	1,353.90

See Accompanying Notes forming part of the Financial Statements

1-48

As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

Gaurav J. Shah

Partner

Membership No. 35701

Ahmedabad

May 21, 2019

For and on behalf of the Board of Directors

Suresh J. Patel

Chairman & Managing Director

DIN : 00007400

Ankit S. Patel

Executive Director

DIN : 02173231

Mayur B. Padhya

Chief Financial Officer

Ahmedabad

May 21, 2019

Ashutosh B. Bhatt

Company Secretary



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2019

COMPANY BACKGROUND

Bodal Chemicals Limited ('the Company') is a public limited company incorporated in India. The registered office of the Company is located at Plot No. 123-124, Phase - I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

1 Significant Accounting Policies:

1.1 Statement of compliance:

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Act.

1.2 Basis of Preparation of Financial Statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not

fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.3 Revenue Recognition:

a) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts if any.

b) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.4 Leasing:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.5 Foreign currencies:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign

currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

1.6 Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.7 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 47.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.8 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, plant and equipment:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate

accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	10 years
Office Equipments	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

1.10 Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortised on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

1.11 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.12 Inventory:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

1.13 Provisions and Contingencies :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation,



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.14 Financial Instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a

trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting Contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Para of Impairment of financial assets. All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For 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 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset),

the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.16 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

1.17 Derivative Financial Instrument and Hedge Accounting:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

1.18 Cash Flow Statement:

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

1.19 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.20 Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.21 Borrowing Cost:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.22 Government Grants and subsidies:

Government Grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and grants will be received.

Government grants are recognised in statement



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government's grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

1.23 Use of Estimates

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

1.24 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of

operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.6)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.9)
- Estimation of taxes (Note 1.8)
- Estimation of impairment (Note 1.11)
- Estimation of provision and contingent liabilities (Note 1.13)

1.25 Recent accounting pronouncements

Ind AS 116, Leases: The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements. The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

Amendment to Ind AS 12 'Income Taxes': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

events that generated distributable profits than to distributions to owners.

Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30th March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable

profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Standalone : Notes to the Financial Statements

Particulars	(₹ in Millions)									
	Land	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total		
2. PROPERTY, PLANT AND EQUIPMENT										
GROSS BLOCK										
Balance as at 31st March, 2017	115.79	493.84	19.21	1,502.17	11.98	12.16	50.38	2,205.53		
Additions	845.68	328.50	0.78	1,091.54	0.59	5.74	4.05	2,276.88		
Disposals	Nil	Nil	Nil	6.64	Nil	0.02	0.58	7.24		
Balance as at 31st March, 2018	961.47	822.34	19.99	2,587.07	12.57	17.88	53.85	4,475.17		
Additions	88.57	335.74	0.07	895.00	6.36	6.36	16.85	1,348.95		
Disposals	Nil	Nil	Nil	Nil	Nil	Nil	1.03	1.03		
Balance as at 31st March 2019	1,050.04	1,158.08	20.06	3,482.07	18.93	24.24	69.67	5,823.09		
Accumulated Depreciation										
Balance as at 31st March, 2017	Nil	42.78	0.94	192.17	3.33	4.82	10.95	254.99		
Additions	Nil	17.58	0.32	80.11	1.40	2.58	4.27	106.26		
Disposals	Nil	Nil	Nil	0.96	Nil	0.01	0.17	1.14		
Balance as at 31st March, 2018	Nil	60.36	1.26	271.32	4.73	7.39	15.05	360.11		
Additions	Nil	30.30	0.33	139.10	1.50	4.45	4.86	180.54		
Disposals	Nil	Nil	Nil	Nil	Nil	Nil	0.42	0.42		
Balance as at 31st March 2019	Nil	90.66	1.59	410.42	6.23	11.84	19.49	540.23		
Net Block										
Balance as at 31st March, 2018	961.47	761.98	18.73	2,315.75	7.84	10.49	38.80	4,115.06		
Balance as at 31st March 2019	1,050.04	1,067.42	18.47	3,071.65	12.70	12.40	50.18	5,282.86		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Computer Software	Membership Fees	Website	Total
3. INTANGIBLE ASSETS				
Gross Block				
Balance as at 31st March, 2017	3.52	7.40	0.00	10.92
Additions	0.20	1.22	Nil	1.42
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	3.72	8.62	0.00	12.34
Additions	1.42	0.51	Nil	1.93
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March 2019	5.14	9.13	0.00	14.27
Accumulated Amortisation				
Balance as at 31st March, 2017	1.14	1.67	0.00	2.81
Additions	1.26	1.74	Nil	3.00
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	2.40	3.41	0.00	5.81
Additions	0.30	1.84	Nil	2.14
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March 2019	2.70	5.25	0.00	7.95
Net Block				
Balance as at 31st March, 2018	1.32	5.21	Nil	6.53
Balance as at 31st March 2019	2.44	3.88	Nil	6.32

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
4. INVESTMENTS (NON-CURRENT)		
Quoted		
Investments in Equity Instruments		
100 (P.Y. : 100) Equity Shares of Beta Nephthol Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
2,00,000 (P.Y. : 2,00,000) Equity Shares of Bhageria Industries Ltd. of ₹ 5/- Each Fully Paid Up	54.66	55.46
	54.66	55.46
Less : Allowance for Impairment Loss	0.00	0.00
Total of Investments in Equity Instruments	54.66	55.46
Investments in Mutual Funds		
Nil (P.Y. 5,00,000) Units of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth*	Nil	5.29
Total of Investments in Mutual Funds	Nil	5.29
Total of Quoted Investments	54.66	60.75
Unquoted		
Investments in Equity Instruments		
Investment in Subsidiaries		
1,13,634 (P.Y. : 1,13,634) Equity Shares of SPS Processors Pvt. Ltd. of ₹ 100/- Each Fully Paid Up.	40.91	40.91
10,000 (P.Y. : Nil) Equity Shares of Bodal Chemicals Trading Pvt. Ltd. of ₹ 10/- Each Fully Paid Up.	0.10	Nil
1,65,000 (P.Y. : Nil) Equity Shares of Bodal Chemicals	1.73	Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trading (Shijiazhuang) Co. Ltd.		
58,91,796 (P.Y. : 29,05,701) Equity Shares of Trion Chemicals Pvt. Ltd. of ₹ 10/- Each Fully Paid Up - (Associate concern upto 30/06/2018)	58.92	29.06
Investments in other entities		
250 (P.Y. : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹ 100/- each Fully Paid Up	0.03	0.03
1,12,350 (P.Y. : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹ 10/-each Fully Paid Up	1.12	1.12
100 (P.Y. : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
10 (P.Y. : 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹ 100/- Each Fully Paid Up	0.00	0.00
10,200 (P.Y. : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- Each Fully Paid Up	0.10	0.10
3,542 (P.Y. : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of ₹ 25/- Each Fully Paid Up	0.09	0.09
Total of Investments in Equity Instruments (Unquoted)	103.00	71.31
Investments in Preference Shares		
Investment in Subsidiary Company		
39,86,670 (P.Y. : 75,00,000) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of ₹ 10/- Each Fully Paid Up (Associate Concern upto 30/06/2018)	39.87	75.00
Total Investments in Preference Shares	39.87	75.00
Total of Unquoted Investments	142.87	146.31
Total of Non-Current Investments	197.53	207.06

* Held as lien by bank against bank guarantees and letters of credit.

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
5. LOANS (NON-CURRENT)		
(Unsecured, Considered Good)		
Loans to Employees	11.58	9.03
Loans to related party (refer note 41)	978.30	428.50
Total	989.88	437.53

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
6. OTHER FINANCIAL ASSETS (NON-CURRENT)		
Security Deposits	25.97	26.69
Advance for Investment	17.06	27.37
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	3.44	0.11
Total	46.47	54.17

* Held as lien by bank against bank guarantees and letters of credit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
7. NON-CURRENT TAX ASSETS		
Non-Current Tax Assets	105.83	103.30
Total	105.83	103.30

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
8. OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Capital Advances	136.82	100.68
Balance With Statutory Authorities	31.58	56.45
Total	168.40	157.13

8.1 Capital Advances include ₹ 56.42 million (P.Y. : ₹ Nil) to related parties. (refer note 41)

8.2 Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept. etc.

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
9. INVENTORIES (Valued at the lower of cost or net realisable value)		
a) Raw Materials	304.24	249.66
Raw Materials in Transit	62.68	44.99
	366.92	294.65
b) Finished Goods	238.37	210.60
Finished Goods in Transit	238.86	15.56
	477.23	226.16
c) Stock In Process	920.68	528.67
	920.68	528.67
d) Stock In Trade	0.09	Nil
	0.09	Nil
e) Packing Materials	9.99	6.29
Packing Materials in Transit	0.22	0.08
	10.21	6.37
f) Stock of Fuel	9.12	7.56
	9.12	7.56
g) Stores and Spares	67.22	55.86
Stores and spares in Transit	Nil	1.78
	67.22	57.64
Total	1,851.47	1,121.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
10. INVESTMENTS (CURRENT)		
Quoted		
Investments in Mutual Funds		
5,00,000 (P.Y. Nil) Units of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth*	5.74	Nil
Nil (P.Y. : 5,218.057) Units of SBI Magnum Insta Cash Fund - Direct Plan -Growth	Nil	20.05
Nil (P.Y. : 4,454.535) Units of SBI Ultra Short Term Debt Fund - Direct Plan -Growth	Nil	10.03
Total	5.74	30.08

* Held as lien by bank against bank guarantees and letters of credit.

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
11. TRADE RECEIVABLES		
Unsecured & Considered Good	2,903.35	3,353.76
Unsecured & Considered Doubtful	3.46	6.22
Less : Allowances for Credit Losses (refer note 38)	(3.46)	(6.22)
	2,903.35	3,353.76
Customers Bill Discounted	698.94	631.18
Other Trade Receivables	2,204.41	2,722.58
Total	2,903.35	3,353.76

11.1 Trade Receivables include ₹ 15.06 million (P.Y. : ₹ 47.95 million) to related parties. (refer note 41)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
12. CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	3.51	1.77
Balance with Banks in current accounts	62.95	6.60
Total	66.46	8.37

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
13. OTHER BANK BALANCES		
Margin Money Deposits with bank *	14.60	44.63
Unclaimed Dividend Accounts	2.38	2.38
Total	16.98	47.01

* Held as lien by bank against bank guarantees and letters of credit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
14. LOANS (CURRENT)		
(Unsecured & considered good)		
Loans to Employees	20.73	19.46
Inter-Corporate Loans	55.03	102.47
Total	75.76	121.93

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
15. OTHER FINANCIAL ASSETS (CURRENT)		
Derivative Assets	26.57	5.69
Other Receivables	5.58	3.48
Total	32.15	9.17

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
16. OTHER CURRENT ASSETS		
Export Incentives Receivables	84.41	38.28
Advance to Suppliers of Goods	109.03	105.94
Advance to Suppliers of Expenses	6.47	8.94
Balance with Statutory Authorities	192.94	333.42
Pre-paid Expenses	9.62	6.00
Others	2.70	1.44
Total	405.17	494.02

16.1 Advance to Suppliers of Goods include ₹ Nil (P.Y. : ₹ 76.51 million) to related parties (refer note 41).

16.2 Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept. etc.

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
17. EQUITY SHARE CAPITAL		
Authorised Share Capital		
13,50,00,000 (P.Y. : 13,50,00,000) Equity Shares of ₹ 2/- each	270.00	270.00
2,50,00,000 (P.Y. : 2,50,00,000) Preference Share of ₹ 10/- each	250.00	250.00
	520.00	520.00
Issued, Subscribed & Paid up Share Capital		
12,21,88,765 (P.Y. : 12,21,88,765) Equity shares of ₹ 2/- each	244.38	244.38
Total	244.38	244.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

17.1 Reconciliation of the number of Shares

Particulars	As at	As at
	31st March, 2019	31st March, 2018
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	12,21,88,765	10,91,07,370
Issue of Shares under Qualified Institutional Placement (refer note 17.2)	Nil	1,30,81,395
Closing balance	12,21,88,765	12,21,88,765

17.2 The Board of Directors of the Company at its meeting held on 17th October, 2017 approved the allotment of 13,081,395 Equity Shares of face value of ₹ 2/- each to Qualified Institutional Buyers (QIBs) at the issue price of ₹ 172/- per Equity Share (including a premium of ₹ 170/-) aggregating to ₹ 224.99 Million in accordance with the Provisions of Chapter VIII of SEBI (ICDR) Regulations, 2009.

17.3 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Preference shares

The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of ₹ 10/- per share. Each shareholder shall have a right to attend general meeting of the company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by the company but do not have right to participate in surplus profit.

17.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of Shareholder	As at		As at	
	31st March, 2019		31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,71,12,857	30.37	3,48,35,151	28.51
Shri Bhavin S. Patel	1,04,96,342	8.59	94,59,549	7.74
Shri Ankit S. Patel	72,61,072	5.94	65,36,550	5.35

17.5 The Board of Directors at its meeting held on 21st May, 2019 has recommended a dividend of ₹ 0.80 (Paise Eighty only) per equity share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
18. OTHER EQUITY		
Capital Reserves	76.12	76.12
Capital Redemption Reserve	289.67	289.67
Securities Premium		
At the commencement of the year	2,381.91	222.04
Add : Premium on shares issued during the year (refer note 17.2)	Nil	2,223.83
	2,381.91	2,445.87
Less : Expenses related to issue of shares	Nil	63.96
At the end of the year	2,381.91	2,381.91
Employee Stock Options Outstanding Account (refer note 47)	18.06	3.86
General Reserve	138.86	138.86
Retained Earnings		
At the commencement of the year	3,884.76	2,681.99
Add : Profit during the year	1,440.65	1,275.44
Add : Remeasurements of Net Defined Benefit Plans (Net of tax)	(4.37)	(7.01)
	5,321.04	3,950.42
Less : Appropriations :		
Dividend on Equity Shares	97.75	54.55
Tax on Dividends	20.09	11.11
	117.84	65.66
At the end of the year	5,203.20	3,884.76
Total	8,107.82	6,775.18

18.1 Nature and purpose of Reserves

Capital Reserves

Capital reserve is utilised in accordance with provision of the Act.

Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and it is a non-distributable reserve.

Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
19. BORROWINGS (NON-CURRENT)		
Unsecured		
Trade Deposits	7.77	7.70
Total	7.77	7.70

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
20. PROVISIONS (NON-CURRENT)		
Provision for Employee Benefits (refer note 43)	4.10	0.34
Total	4.10	0.34

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
21. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Property, Plant and Equipment	462.34	299.34
Fair Value of Forward Contracts	9.29	1.99
Fair Value of Quoted Equity Shares and Mutual Fund	Nil	0.12
Deferred Tax Assets		
Expense claimed for tax purpose on payment basis	(8.93)	(4.31)
Allowance for Doubtful Debts	(1.21)	(2.18)
Expenditure covered by section 35D of Income Tax Act, 1961	(13.57)	(17.88)
Employees Stock Options Outstanding	(6.31)	Nil
Fair Value of Quoted Equity Shares and Mutual Fund	(1.15)	Nil
Total	440.46	277.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
22. BORROWINGS (CURRENT)		
Secured		
Working Capital Loans from Banks	653.59	715.28
Unsecured		
Loans From Directors	1.37	124.60
	654.96	839.88
Borrowing Bill Discounted (Secured)	698.94	631.18
Total	1,353.90	1,471.06

22.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and confirmed contracts and collaterally secured by equitable mortgage of Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive Directors

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
23. TRADE PAYABLES		
(a) Total outstanding dues of Micro and Small Enterprises	26.40	14.38
(b) Total outstanding dues of Others	1,899.97	1,467.38
Total	1,926.37	1,481.76

23.1 Trade Payables include ₹ 49.44 million (P.Y. : ₹ 0.62 million) to related parties (refer note 41)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
24. OTHER FINANCIAL LIABILITIES (CURRENT)		
Unclaimed Dividends	2.38	2.38
Creditors for Capital Goods	121.94	110.51
Other Payables	0.49	0.05
Total	124.81	112.94

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
25. OTHER FINANCIAL LIABILITIES (CURRENT)		
Advance Received from Customers	28.72	4.13
Statutory Liabilities	105.75	13.56
Total	134.47	17.69

25.1 Advance from Customers include ₹ Nil (P.Y. : ₹ 0.30 millions) to related parties (refer note 41)

25.2 Statutory liabilities represent amounts payable towards GST, TDS etc.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
26. PROVISIONS (CURRENT)		
Provision for Employee Benefits (refer note 43)	10.13	5.00
Total	10.13	5.00

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
27. CURRENT TAX LIABILITIES (NET)		
Provision for Taxes (Net)	Nil	17.79
Total	Nil	17.79

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
28. REVENUE FROM OPERATIONS		
Sale of products (including excise duty*)	13,550.67	11,317.32
Other Operating Income		
Export Incentives	218.99	97.48
HCL Lifting Charges Income	4.14	11.58
Scrap Sales	19.82	10.03
Brokerage Income	Nil	0.01
Total	242.95	119.10
Total Revenue From Operations	13,793.62	11,436.42

* Revenue from operations for period up to 30th June, 2017 included Excise duty, which is discontinued from 1st July, 2017 on implementation of Goods and Services tax (GST) in India. In accordance with Ind AS 115, Goods and Services tax (GST), is not included in revenue from operations. In view of the aforesaid restructuring of Indirect taxes, revenue from operations for the year ended on 31st March 2019 is not comparable with previous year.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
29. OTHER INCOME		
Interest Income		
On Deposits	2.04	2.65
On Others	108.20	49.07
Profit on Sale of Investments (Net)	2.50	26.16
Reversal of Allowance for Doubtful Debts	2.76	Nil
Profit on Sale of Assets (Net)	0.25	9.49
Dividend Income	4.44	5.42
Exchange Rate Difference (Net)	Nil	25.30
Liabilities no Longer Required Written Back	11.65	Nil
Other Income	14.91	0.71
Total	146.75	118.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
30. COST OF MATERIALS CONSUMED		
Opening Stock	294.65	449.40
Add: Purchases during the year	9,470.61	6,933.09
	9,765.26	7,382.49
Less : Closing Stock	366.92	294.65
Total	9,398.34	7,087.84

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
31. PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	1.65	21.25
Total	1.65	21.25

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods	477.23	226.16
Stock In Process	920.68	528.67
Stock - in Trade	0.09	Nil
Total (A)	1,398.00	754.83
Inventories at the beginning of the year		
Finished Goods	226.16	192.27
Stock In Process	528.67	486.51
Stock - in Trade	Nil	4.47
Total (B)	754.83	683.25
Changes in Inventories	(643.17)	(71.58)
Less : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	Nil	20.90
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade	(643.17)	(92.48)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
33. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	512.57	394.91
Contribution to Provident & Other Funds (refer note 43)	26.96	23.56
Employee Share Based Payments (refer note 47)	14.20	3.86
Staff Welfare Expenses	38.54	24.97
Total	592.27	447.30

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
34. FINANCE COSTS		
Bank Interest	47.60	28.47
Other Interest Expenses	0.88	3.89
Other Borrowing Cost	20.82	16.88
Total	69.30	49.24

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
35. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	180.54	106.26
Amortisation on Intangible Assets	2.13	3.00
Total	182.67	109.26

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
36. OTHER EXPENSES		
Stores Consumption	45.00	37.65
Power & Fuel Consumption	645.48	569.82
Repairs to		
Machinery	235.17	167.72
Building	35.77	20.96
Others	0.61	0.55
Pollution Control Expenses	214.78	163.67
Rent & Taxes	6.62	3.91
Labour Charges	273.33	230.29
Insurance Expenses	8.86	11.49
Corporate Social Responsibility Expenses (refer note 46)	34.84	31.07
Directors' Sitting fees	0.43	0.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Travelling & Vehicle Expense	30.87	27.62
Payment to Auditors (refer note 36.1)	1.90	1.40
Legal & Professional Fees	33.29	24.29
Fair Value Loss on Investments measured through profit or loss	0.36	7.78
Exchange Rate Difference (Net)	20.69	Nil
Packing Material Consumption	143.46	108.26
Freight & Handling Charges	190.92	185.30
Advertisement & Business Promotion Expenses	19.09	24.41
Sales Commission	98.84	73.37
Allowance for Doubtful Debts	Nil	8.34
Other Expenses	74.26	81.82
Total	2,114.57	1,780.17

36.1 Payment to Auditors include (excluding GST/service tax) as below:

(₹ in Millions)

Particulars	2018-19	2017-18
I) As Statutory Auditors	1.90	1.40
II) Taxation matters	Nil	Nil

Additional Disclosures Requirements :

(₹ in Millions)

Financial Instruments Classification by Category	As at 31st March, 2019	As at 31st March, 2018
37. FINANCIAL INSTRUMENTS		
Financial Assets		
Financial Assets measured at fair value through profit and loss		
Investments	60.40	90.83
Derivative Assets	26.57	5.69
Financial Assets measured at amortised cost		
Investments	142.87	146.31
Loans	1,065.64	559.46
Trade Receivables	2,903.35	3,353.76
Cash and Cash Equivalents	66.46	8.37
Other Bank Balances	16.98	47.01
Other Financial Assets	52.05	57.65
Total Financial Assets	4,334.32	4,269.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial Liabilities		
Financial Liabilities measured at amortised cost		
Borrowings	1,361.67	1,478.76
Trade Payables	1,926.37	1,481.76
Other Financial Liabilities	124.81	112.94
Total Financial Liabilities	3,412.85	3,073.46

Fair Value Hierarchy

(₹ in Millions)

Financial Assets measured at fair value 31-Mar-2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	54.66	Nil	Nil	54.66
Investments in quoted mutual fund	5.74	Nil	Nil	5.74
Derivative Assets	Nil	26.57	Nil	26.57

(₹ in Millions)

Financial Assets and liabilities measured at fair value 31-Mar-2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	55.46	Nil	Nil	55.46
Investments in quoted mutual fund	35.37	Nil	Nil	35.37
Derivative Assets	Nil	5.69	Nil	5.69

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ✓ the use of quoted market prices or dealer quotes for similar instruments
- ✓ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

- ✓ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

38. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk

Credit Risk

Liquidity Risk

Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

(A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company is making provision on trade receivables based on Expected Credit Loss Model (ECL) as below:

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

Reconciliation of loss allowance provision

(₹ in Millions)		
Reconciliation of Loss Allowance	2018-19	2017-18
Opening Balance	6.22	2.42
(Reversal) / Recognition of loss allowance measured as per ECL	(2.76)	8.34
Write off Bad Debts	Nil	(4.54)
Closing Balance (As reported in Note 11)	3.46	6.22

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(₹ in Millions)

Maturities of financial instruments as on 31-Mar-2019	Within 12 months	After 12 months
Financial Assets		
Investments	5.74	197.53
Trade Receivables	2,903.35	Nil
Other Bank Balances	16.98	Nil
Loans	75.76	989.88
Other Financial Assets	32.15	46.47
Financial Liabilities		
Borrowings	1,353.91	7.77
Trade Payables	1,926.37	Nil
Other Financial Liability	124.81	Nil

(₹ in Millions)

Maturities of financial instruments as on 31-Mar-2018	Within 12 months	After 12 months
Financial Assets		
Investments	30.08	207.06
Trade Receivables	3,353.76	Nil
Other Bank Balances	47.01	Nil
Loans	121.93	437.53
Other Financial Assets	9.17	54.17
Financial Liabilities		
Borrowings	1,471.06	7.70
Trade Payables	1,481.76	Nil
Other Financial Liability	112.94	Nil

(C) Market Risk Management

i) Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

(A) Foreign currency risk exposure

(₹ in Millions)

Maturities of financial instruments as on 31-Mar-2018	31-Mar-19		31-Mar-18	
	USD	EUR	USD	EUR
Financial Assets				
Trade Receivables	12.78	Nil	15.82	Nil
Financial Liabilities				
Trade Payables	3.15	0.00	1.42	0.01
Borrowings	15.30	Nil	18.08	Nil
Net Exposure	(5.67)	(0.00)	(3.68)	(0.01)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(B) SENSITIVITY (+/-5%) (₹ in Millions)

Currency	2018-19			2017-18		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(12.76)	(12.76)	5.00%	(7.83)	(7.83)
USD	-5.00%	12.76	12.76	-5.00%	7.83	7.83
EUR	5.00%	(0.00)	(0.00)	5.00%	(0.03)	(0.03)
EUR	-5.00%	0.00	0.00	-5.00%	0.03	0.03

ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2019 and 31st March 2018, the Company's borrowings at variable rate were mainly denominated in ₹ & USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(A) INTEREST RATE RISK EXPOSURE (₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Variable Rate borrowings	1,352.54	1,346.46
Fixed Rate Borrowings	7.77	7.70

At the end of reporting period the Company had the following variable rate borrowings.

Particulars	2018-19			2017-18		
	Average Interest Rate	Balance	% of Total Loan	Average Interest Rate	Balance	% of Total Loan
Cash Credit Facility	8.96%	296.65	21.93%	10.11%	170.39	12.65%
Packing Credit Facility	3.32%	356.95	26.39%	2.34%	439.42	32.64%
Buyers Credit Facility	-	Nil	Nil	2.02%	104.09	7.73%
Bills Discounting Facility	3.32%	698.94	51.68%	2.34%	631.18	46.88%
Overdraft facility	8.25%	Nil	Nil	8.15%	1.38	0.10%
Net Exposure		1,352.54	100%		1,346.46	100%

SENSITIVITY (+/- 1%)

	Movement in Rate	Amount in ₹	
		As at 31st March, 2019	As at 31st March, 2018
Interest rates	1.00%	8.80	8.80
Interest rates	-1.00%	(8.80)	(8.80)

iii) Security Price Risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

SENSITIVITY (+/-5%) (₹ in Millions)

Particulars	Investment in Quoted Securities			
	31-Mar-19		31-Mar-18	
Increase/(decrease)	5%	-5%	5%	-5%
Impact on PAT	1.85	(1.85)	1.81	(1.81)

39. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Net Debt (₹)	1,295.22	1,470.39
Total Equity (₹)	8,352.20	7,019.56
Debt Equity Ratio	0.16	0.21

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
40. INCOME TAXES		
Current Tax	618.37	552.20
Deferred Tax	165.72	98.61
Total Income Tax Expenses (excluding deferred tax benefit on OCI)	784.09	650.81

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Profit Before Tax	2,224.74	1,926.25
Statutory Tax Rate (%)	34.944%	34.608%
Tax at statutory rate	777.41	666.64
Effect of income that is exempt from tax	(1.55)	(1.88)
Effect of expenses that are not deductible in determining taxable profit	13.64	14.82
Effect of share issue expenses debited to securities premium	Nil	(22.13)
Effect of tax on special rate income	(1.25)	Nil
Effect of tax deduction under section 35AC ,35(i)(ii) & 80G	(9.20)	(11.46)
Effect of deferred tax balances due to change in income tax rate from 34.608% to 34.944% (effective 01.04.19)	Nil	2.66
Deferred Tax on other comprehensive income	2.34	3.71
Others	(1.77)	3.79
	779.62	656.15



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Adjustments recognised in the current year in relation to the current tax of prior years	4.47	(5.34)
Income tax expense recognised in profit or loss	784.09	650.81
Effective Tax Rate	35.24%	33.79%

40.1 Movement in deferred tax assets and liabilities

(₹ in Millions)

Particulars	As at 1st April 2018	Credit/(charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2019
Deferred Tax Assets/ (Liabilities)				
Property, Plant and Equipment	(299.34)	(163.00)	Nil	(462.34)
Fair Value of Forward Contracts	(1.99)	(7.30)	Nil	(9.29)
Expense claimed for tax purpose on payment basis	4.31	2.28	2.34	8.93
Expenditure covered by section 35D of Income Tax Act, 1961	17.88	(4.31)	Nil	13.57
Employees Stock Options Outstanding	Nil	6.31	Nil	6.31
Fair Value of Quoted Equity Shares and Mutual Fund	(0.12)	1.27	Nil	1.15
Allowance for Doubtful Debts	2.18	(0.97)	Nil	1.21
Total	(277.08)	(165.72)	2.34	(440.46)

41. RELATED PARTY TRANSACTIONS:

(a) List of Related Parties

I. Key Management Personnel (KMP)

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary
6. Shri Surendra N. Shah	Independent Director (Up to 7th October 2017)
7. Shri Bipin R. Patel	Independent Director (Up to 25th October 2018)
8. Shri Nalin Kumar	Independent Director
9. Smt. Neha Huddar	Independent Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

10. Shri Sunil K. Mehta Independent Director (w.e.f. 13th December 2017)

11. Shri Parin D. Shah Independent Director (w.e.f. 29th December 2018)

II. Enterprise under significant influence of key management personnel (Enterprise)

(i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.

III. Subsidiary Company (SC)

(i) SPS Processors Pvt. Ltd.

(ii) Trion Chemicals Pvt. Ltd. (w.e.f 1st July 2018 – Associate concern up to 30th June 2018)

(iii) Bodal Chemicals Trading Pvt. Ltd. (w.e.f. 7th December 2018)

(iv) Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019)

a) Transactions with related parties

		(₹ in Millions)	
Related party disclosure	Relationship	2018-2019	2017-2018
Remuneration			
Shri Suresh J. Patel	KMP	10.80	10.80
Shri Bhavin S. Patel	KMP	7.20	7.20
Shri Ankit S. Patel	KMP	7.20	7.20
Shri Mayur B. Padhya	KMP	4.39	4.14
Shri Ashutosh B. Bhatt	KMP	0.92	0.71
Director Commission			
Shri Suresh J. Patel	KMP	43.50	Nil
Shri Bhavin S. Patel	KMP	32.50	Nil
Shri Ankit S. Patel	KMP	32.50	Nil
Directors' Sitting Fees			
Shri Surendra N. Shah	KMP	Nil	0.07
Shri Bipin R. Patel	KMP	0.08	0.15
Shri Nalin Kumar	KMP	0.10	0.13
Smt. Neha Huddar	KMP	0.10	0.08
Shri Sunil K. Mehta	KMP	0.13	0.02
Shri Parin D. Shah	KMP	0.02	Nil
Loan Given			
Trion Chemicals Pvt. Ltd.	SC	259.68	219.97
SPS Processors Pvt. Ltd.	SC	427.12	73.86
Bodal Chemicals Trading Pvt. Ltd.	SC	84.47	Nil
Loan Received Back			
Trion Chemicals Pvt. Ltd.	SC	19.85	60.76
SPS Processors Pvt. Ltd.	SC	201.91	329.02
Bodal Chemicals Trading Pvt. Ltd.	SC	0.03	Nil
Loan Received			
Shri Suresh J. Patel	KMP	53.70	86.00
Shri Bhavin S. Patel	KMP	8.55	4.50



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Related party disclosure	Relationship	2018-2019	2017-2018
Shri Ankit S. Patel	KMP	11.85	10.40
Loan Repaid			
Shri Suresh J. Patel	KMP	173.80	203.90
Shri Bhavin S. Patel	KMP	8.23	107.40
Shri Ankit S. Patel	KMP	15.30	8.70
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	10.17	3.20
SPS Processors Pvt. Ltd.	SC	606.70	406.90
Bodal Chemicals Trading Pvt. Ltd.	SC	2.99	Nil
Trion Chemicals Pvt. Ltd.	SC	0.00	0.16
Purchases of Other Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.06	Nil
SPS Processors Pvt. Ltd.	SC	0.04	Nil
Trion Chemicals Pvt. Ltd.	SC	0.18	Nil
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	0.60
Dividend Paid			
Shri Suresh J. Patel	KMP	28.36	17.35
Shri Bhavin S. Patel	KMP	7.57	4.73
Shri Ankit S. Patel	KMP	5.48	3.27
Shri Mayur B. Padhya	KMP	0.14	0.09
Proceeds from Redemption of Pref. Shares			
Trion Chemicals Pvt. Ltd.	AC	35.13	Nil
Interest Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	0.31
Trion Chemicals Pvt. Ltd.	SC	39.26	21.93
Bodal Chemicals Trading Pvt. Ltd.	SC	0.32	Nil
SPS Processors Pvt. Ltd.	SC	17.83	18.21
Sales of Asset			
Trion Chemicals Pvt. Ltd.	SC	Nil	0.04
SPS Processors Pvt. Ltd.	SC	Nil	8.80
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.06	52.89
Trion Chemicals Pvt. Ltd.	SC	0.12	4.71
SPS Processors Pvt. Ltd.	SC	63.23	127.27
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Loan			
Shri Suresh J. Patel	KMP	0.17	120.27
Shri Bhavin S. Patel	KMP	0.35	0.03

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Related party disclosure	Relationship	2018-2019	2017-2018
Shri Ankit S. Patel	KMP	0.85	4.30
As Trade Payables			
Trion Chemicals Pvt. Ltd.	SC	Nil	0.19
SPS Processors Pvt. Ltd.	SC	16.08	Nil
Shri Suresh J. Patel	KMP	12.01	0.04
Shri Bhavin S. Patel	KMP	10.23	0.16
Shri Ankit S. Patel	KMP	10.88	0.18
Shri Mayur B. Padhya	KMP	0.17	0.00
Shri Ashutosh B. Bhatt	KMP	0.07	0.05
As Advance from Customer			
Trion Chemicals Pvt. Ltd.	SC	Nil	0.30
As Investment			
As Equity shares			
Trion Chemicals Pvt. Ltd.	SC	58.92	29.06
SPS Processors Pvt. Ltd.	SC	40.91	40.91
Bodal Chemicals Trading Pvt. Ltd.	SC	0.10	Nil
Bodal Chemicals Trading (Shijiazhuang) Co. Ltd.	SC	1.73	Nil
As Preference shares			
Trion Chemicals Pvt. Ltd.	SC	39.87	75.00
Amounts Receivable			
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	15.06	27.36
SPS Processors Pvt. Ltd.	SC	Nil	20.59
As Advance Given to Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	53.04
SPS Processors Pvt. Ltd.	SC	Nil	23.47
As Capital Advance			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.42	Nil
As Loan to Subsidiary			
SPS Processors Pvt. Ltd.	SC	336.37	111.17
Trion Chemicals Pvt. Ltd.	SC	557.17	317.33
Bodal Chemicals Trading Pvt. Ltd.	SC	84.76	Nil

Notes:-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Particulars	2018-19	2017-18
42. EARNINGS PER SHARE		
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ In millions)	1,440.65	1,275.44
Weighted average number of Equity Shares	122,188,765	114,841,680
Basic EPS (₹)	11.78	11.11
Diluted EPS (₹)	11.77	11.11
Nominal Value per Share (₹)	2	2

42.1 DETAILS USED IN CALCULATION OF DILUTED EPS

Particulars	2018-19	2017-18
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ In Millions)	1,440.65	1,275.44
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	122,188,765	114,841,680
Share deemed to be issued in respect of employee options	83,755	Nil
Weighted average number of Equity Shares used for diluted EPS	122,272,520	114,841,680

(₹ in Millions)

Particulars	2018-19	2017-18
43. EMPLOYEE BENEFITS		
Defined Contribution Plan		
Employer's contribution to Provident Fund	18.84	16.10
Employer's contribution to E.S.I.C.	2.00	1.69

Defined Benefits Plan

Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements based on actuarial valuations being carried out as at 31st March 2019.

Balance sheet disclosures

(a) The amounts disclosed in the consolidated balance sheet and the movements in the defined benefit obligation over the year:

Particulars	31-Mar-19	31-Mar-18
Liability at the beginning of the year	48.88	30.59
Interest Costs	3.63	2.22
Current Service Costs	8.02	5.39
Past Service Cost	Nil	2.88
Benefits paid	(1.36)	(2.33)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	Nil	2.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
- Financials	1.02	7.83
- Experience	4.58	(0.69)
Liability at the end of the year	64.77	48.88

(b) Movements in the fair value of plan assets

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Fair value of plan assets at the beginning of the year	43.54	36.51
Interest Income	3.52	2.86
Expected return on plan assets	(1.11)	(0.59)
Contributions	5.95	7.09
Benefits paid	(1.36)	(2.33)
Fair value of plan assets at the end of the year	50.54	43.54

(c) Net liability disclosed above relates to

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Fair value of plan assets at the end of the year	50.54	43.54
Liability as at the end of the year	64.77	48.88
Net (Liability)/Asset	(14.23)	(5.34)
Non-Current Portion	(4.10)	(0.34)
Current Portion	(10.13)	(5.00)

(d) Balance Sheet Reconciliation

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Opening Net liability	5.34	(5.92)
-Expenses recognised in the statement of P&L	8.13	7.63
-Expenses recognised in the OCI	6.71	10.72
-Employer's Contribution	(5.95)	(7.09)
Amount recognised in the Balance Sheet	14.23	5.34

Profit & Loss Disclosures

(a) Net interest Cost for Current period

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Interest Cost	3.63	2.22
Interest Income	3.52	2.86
Net interest Cost/(Income)	0.11	(0.64)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(b) Expenses recognised in the profit & loss

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Net Interest Cost	0.11	(0.64)
Current Service Cost	8.02	5.39
Past service cost and loss/(gain) on curtailments and settlement	Nil	2.88
Expenses recognised in the profit & loss	8.13	7.63

(c) Expenses recognised in the Other Comprehensive Income

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Remeasurement		
Expected return on plan assets	1.11	0.59
Actuarial (Gain) or Loss	5.60	10.13
Net (Income) / Expenses recognised in OCI	6.71	10.72

Sensitivity Analysis

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of		
- Discounting by +0.5%	61.44	46.40
- Salary Increase by +0.5%	67.69	51.11
- Employee Turnover by +20%	64.85	48.97
Data effect of change in Rate of		
- Discounting by -0.5%	68.40	51.58
- Salary Increase by -0.5%	61.95	46.72
- Employee Turnover by +20%	64.65	48.72

Significant Actuarial Assumptions

Particulars	31-Mar-19	31-Mar-18
Discount Rate	7.55%	7.70%
Salary Escalation	8.00%	8.00%
Attrition Rate	2%-10%	2%-10%

The rate used to discount other long term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post employment benefit obligation.

The estimated term of the Obligation is around 11.67 years. The yields on the government bonds as at the valuation date were 7.55% (P.Y. 7.70%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March 2019	As at 31st March 2018
44. CONTINGENT LIABILITIES AND COMMITMENTS		
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	67.14	61.33
ii. Excise	30.90	31.38
iii. Service Tax	3.42	0.39
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
2) Letter of Credit issued by bankers and outstanding as on 31st March 2019.	104.98	97.13
(b) Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	32.33	136.72

- 45.** Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Millions)

Particulars	As at 31st March 2019	As at 31st March 2018
a. Principal and interest amount remaining unpaid	26.40	14.38
b. Interest due thereon remaining unpaid	Nil	Nil
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	Nil	Nil
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil
e. Interest accrued and remaining unpaid	Nil	Nil
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	Nil	Nil

46. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

- a. **Gross amount required to be spent by the Company during the year 2018-19 ₹ 34.84 Million (Previous year - ₹ 31.07 Million)**
- b. **Amount spent during the year on :**

(₹ in Millions)

Particulars	2018-19	2017-18
i) Construction / Acquisition of any Assets	Nil	Nil
ii) Purposes other than (i) above	34.84	31.07

Represents actual outflow during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

47. SHARE BASED PAYMENTS

- a) The Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September, 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Company, administers the Scheme and grants stock options to eligible directors or employees of the Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017	146,200	13/01/2018	12/01/2019	50	123.52

b) Compensation Expenses arising on account of the Share Based Payments

Particulars	₹ in Millions	
	Year ended 31st March 2019	Year ended 31st March 2018
Employee Share Based Payments (refer note 33)	14.20	3.86

c) Fair Value on the grant date

The fair value on the grant date is determined using "Black Scholes Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.

The model inputs for options granted are as mentioned below.

- Weighted average exercise price ₹ 50/-
- Grant date: 13/01/2018
- Vesting Period: 13/01/2018 to 12/01/2019
- Share Price at grant date: ₹ 168.70
- Expected price volatility of Company's share: 31%
- Expected dividend yield: 0.19%
- Risk free interest rate: 7.45%

The expected price volatility is based on the historic volatility (based on remaining life of the options).

48. Donation made to Political Party during the financial year 2018-19 under provisions of Section 182 of the Companies Act, 2013.

Name of Political Party	(₹ in Millions)
Bharatiya Janta Party	0.10

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Ankit S. Patel
Executive Director
DIN : 02173231

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad
May 21, 2019

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
May 21, 2019

Ashutosh B. Bhatt
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To

**The Members of
Bodal Chemicals Limited**

**Report on the Audit of the Consolidated Financial
Statements**

Opinion

We have audited the accompanying consolidated financial statements of Bodal Chemicals Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") and the Group's share of loss in its associate, which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and associate referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total

comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Occurrence and timely recognition of Revenue:</p> <p>We refer to the Group's accounting policies on Revenue and disclosure in note 2 on Revenue.</p> <p>We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and its non-occurrence. The revenue recognition occurs when the entity satisfies a performance obligation by transferring the promised good at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. Since the Group focuses on revenue as a key performance measure, it could create an incentive for revenue to be recognized before the performance obligations have been satisfied by the Group. Accordingly revenue recognition was determined to be a key audit matter and a significant risk of material misstatement.</p>	<p>Principal audit procedures performed:</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ● Assessed the appropriateness of the Group's revenue recognition accounting policies by comparing with applicable accounting standards. ● Tested the effectiveness of the Group's controls over the correct and timely recognition of revenue. ● Obtained supporting documentation for sale transactions recorded during the year to determine whether revenue was occurred and recognised in the correct period. ● Assessed the revenue recognized with substantive analytical procedures to ascertain whether the revenue recognised has any unexplained variations ● Assessed the adequacy of the Group's disclosures related to revenues.



INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Corporate Governance Report and Management Discussion and Analysis but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries and associate, is traced from their financial statements audited by other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate and in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has



INDEPENDENT AUDITOR'S REPORT (CONTD.)

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the

independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- (a) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 1706.65 million as at 31 March, 2019, total revenues of ₹ 1126.27 million and net cash inflows amounting to ₹ 6.26 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 8.84 million for the year ended 31 March, 2019, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and an associate is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 1.76 million as at 31 March, 2019, total revenues of ₹ 0.04 million and net cash inflows amounting to ₹ 1.76 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures



INDEPENDENT AUDITOR'S REPORT (CONTD.)

included in respect of this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and an associate referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and an associate company incorporated in India, none of the directors of the Group companies and its associate company

incorporated in India is disqualified as on 31st 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.
 - ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and associate companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah

(Partner)

Place : Ahmedabad

Date : May 21, 2019

(Membership No.35701)



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Bodal Chemicals Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and the associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates three subsidiary companies, and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah

(Partner)

Place : Ahmedabad

Date : May 21, 2019

(Membership No.35701)



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2019

(₹ in Millions)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	6,056.63	4,358.97
Capital Work-in-progress		255.10	187.00
Goodwill on Consolidation		22.58	Nil
Intangible Assets	3	6.34	6.53
Financial Assets			
Investments	4	56.00	139.25
Loans	5	11.62	326.36
Other Financial Assets	6	55.64	60.07
Non-Current Tax Assets	7	112.52	105.69
Deferred Tax Assets (Net)	8	83.77	33.45
Other Non-Current assets	9	168.79	158.33
Total Non - Current Assets		6,828.99	5,375.65
Current Assets			
Inventories	10	2,076.33	1,133.05
Financial Assets			
Investments	11	5.74	30.08
Trade Receivables	12	2,598.51	2,836.42
Customers Bill Discounted	12	698.94	631.18
Cash and Cash Equivalents	13	77.86	11.76
Other Bank Balances	14	20.10	47.01
Loans	15	83.47	187.71
Other Financial Assets	16	32.88	9.72
Other Current Assets	17	563.76	487.41
Total Current Assets		6,157.59	5,374.34
Total Assets		12,986.58	10,749.99
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	244.38	244.38
Other Equity	19	8,049.20	6,725.22
Total Equity		8,293.58	6,969.60
Non-Controlling Interests		9.28	11.20
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	20	138.39	10.20
Provisions	21	5.15	0.83
Deferred Tax Liabilities (Net)	22	440.46	277.09
Total Non-Current Liabilities		584.00	288.12
Current Liabilities			
Financial Liabilities			
Borrowings	23	858.32	1,167.07
Customers Bill Discounted	23	698.94	631.18
Trade Payables	24		
(a) Total outstanding dues of Micro and Small Enterprises		26.85	14.38
(b) Total outstanding dues of Others		2,193.96	1,504.71
Other Financial Liabilities	25	157.65	119.76
Other Current Liabilities	26	153.85	21.17
Provisions	27	10.13	5.00
Current Tax Liabilities (Net)	28	0.02	17.80
Total Current Liabilities		4,099.72	3,481.07
Total Liabilities		4,683.72	3,769.19
Total Equity and Liabilities		12,986.58	10,749.99
See Accompanying Notes forming part of the Financial Statements	1-51		

As Per our reports of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad
May 21, 2019

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
May 21, 2019

Ankit S. Patel
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Millions)

	Notes	Year 31st March, 2019	Year 31st March, 2018
INCOME			
Revenue from Operations	29	14,235.02	11,661.38
Other Income	30	133.52	94.91
Total Income		14,368.54	11,756.29
EXPENSES			
Cost of Materials Consumed	31	9,465.64	7,126.04
Purchases of Stock-in Trade	32	159.88	21.25
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	33	(765.04)	(90.46)
Excise Duty on Sale of Goods		Nil	239.23
Employee Benefits Expenses	34	636.79	472.16
Finance Costs	35	90.75	53.08
Depreciation and Amortisation expense	36	212.49	120.92
Other Expenses	37	2,376.33	1,949.29
Total Expenses		12,176.84	9,891.51
Profit Before Tax		2,191.70	1,864.78
Tax Expenses			
Current Tax	41	613.93	557.54
(Short)/Excess Provision of Tax of Prior Years		4.84	(4.38)
Net Current Tax		618.77	553.16
Deferred Tax	41	151.10	65.71
Net Tax Expense		769.87	618.87
Profit After Tax Before Share of Loss of Associate		1,421.83	1,245.91
Less : Share of (Loss) of Associate		(8.84)	(26.68)
Profit for the Year		1,412.99	1,219.23
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(6.70)	(10.88)
Income Tax relating to items that will not be reclassified to profit and loss account		2.34	3.75
Share of OCI in associate		-	(0.01)
Total Other Comprehensive Income		(4.36)	(7.14)
Total Comprehensive Income for the period		1,408.63	1,212.09
Profit for the Year Attributable to:			
Owners of The Company		1,431.99	1,225.60
Non-controlling interest		(19.00)	(6.37)
		1,412.99	1,219.23
Other Comprehensive Income for the Year Attributable to:			
Owners of The Company		(4.36)	(7.10)
Non-controlling interest		-	(0.04)
		(4.36)	(7.14)
Total Comprehensive Income for the Year Attributable to:			
Owners of The Company		1,427.63	1,218.50
Non-controlling interest		(19.00)	(6.41)
		1,408.63	1,212.09
Earnings per equity share (Face value of ₹ 2)	44		
Basic (in ₹)		11.56	10.62
Diluted (in ₹)		11.54	10.62
See Accompanying Notes forming part of the Financial Statements	1-51		

As Per our reports of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad
May 21, 2019

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
May 21, 2019

Ankit S. Patel
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Millions)

A) Equity Share Capital	As at 31st March, 2019	As at 31st March, 2018
Balance at the commencement of the year	244.38	218.21
Add : Issue of Shares under Qualified Institutional Placement (refer note 18.3)	Nil	26.17
Balance at the end of the year	244.38	244.38

	Reserves & Surplus						
	Capital Reserve on Conso-olidation	Capital Reserves	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings
B) Other Equity							
Balance as at 1st April, 2017 (A)	0.18	76.12	289.67	222.04	-	138.86	2,681.78
Additions during the year:							
Profit for the year	-	-	-	-	-	-	1,225.60
Other Comprehensive Income for the year, net of tax	-	-	-	-	-	-	(7.10)
Total Comprehensive Income for the Year 2017-18 (B)	-	-	-	-	-	-	1,218.50
Securities Premium on issue of shares (refer note 18.3)	-	-	-	2,159.87	-	-	-
Addition due to Employee share based expense (refer note 50)	-	-	-	-	3.86	-	-
Reductions during the year:							
Dividends	-	-	-	-	-	-	(54.55)
Tax on Dividends	-	-	-	-	-	-	(11.11)
Total (C)	-	-	-	-	-	-	(65.66)
Balance as at 31st March, 2018 (D) = (A+B+C)	0.18	76.12	289.67	2,381.91	3.86	138.86	3,834.62
Additions during the year:							
Profit for the year	-	-	-	-	-	-	1,431.99
Other Comprehensive Income for the year, net of tax	-	-	-	-	-	-	(4.36)
Total Comprehensive Income for the Year 2018-19 (E)	-	-	-	-	-	-	1,427.63
Addition due to Employee share based expense (refer note 50)	-	-	-	-	14.20	-	-
Reductions during the year:							
Dividends	-	-	-	-	-	-	(97.76)
Tax on Dividends	-	-	-	-	-	-	(20.09)
Total (F)	-	-	-	-	-	-	(117.85)
Balance as at 31st March, 2019 (D+E+F)	0.18	76.12	289.67	2,381.91	18.06	138.86	5,144.40

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad
May 21, 2019

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
May 21, 2019

Ankit S. Patel
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
Company Secretary



STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Millions)

	Year 2018-2019	Year 2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and after Exceptional Items	2,191.70	1,864.78
Adjustment for		
Depreciation and Amortisation Expense	212.49	120.92
Unrealised Foreign Exchange Gain	(27.77)	(17.28)
Gain on Conversion of Associate to Subsidiary	(23.98)	Nil
Share of Loss of Associate	2.15	Nil
Fair Value (Gain) / Loss on Investments measured through profit or loss	0.36	7.78
Allowance for doubtful trade receivables	(1.62)	8.33
Finance Cost	90.75	53.08
Expenses recognised in respect of share based payments	14.20	3.86
(Profit)/Loss on Sale of Assets (Net)	(0.25)	17.64
Interest and Dividend Income	(72.41)	(39.10)
Profit on sale of Investments (Net)	(2.50)	(26.16)
Liabilities No Longer required written back	(12.05)	(0.01)
Operating Profit before Working Capital Changes	2,371.07	1,993.84
Adjustment for :		
(Increase) / Decrease in Trade Receivables	176.25	(1,164.16)
(Increase) / Decrease in Inventories	(859.36)	175.13
(Increase) / Decrease in Financial Assets	5.93	(4.07)
(Increase) / Decrease in Other Assets	(6.24)	(229.76)
Increase / (Decrease) in Trade Payables	690.31	(117.60)
Increase / (Decrease) in Other Financial Liabilities	(8.90)	(0.47)
Increase / (Decrease) in Other Liabilities and Provisions	133.95	11.38
Cash generated from Operations	2,503.01	664.29
Income Taxes Paid (Net of Refund)	643.30	593.46
Net Cash generated by Operating Activities (A)	1,859.71	70.83
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment including Capital Work in Progress and capital advances	(1,482.42)	(2,284.57)
Sale proceeds of Property, Plant & Equipment	2.80	28.13
Loan given to Associated Concern	(60.26)	(219.97)
Loan repaid by Associated Concern	17.90	60.76
Loan to Related Party	(10.03)	Nil
Net Increase in Loans to Employees	(3.90)	(2.54)
Interest/Dividend received	72.02	39.10
Inter corporate Loan received back	107.15	Nil
Inter corporate Loan Given	Nil	(167.97)
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(10.73)	(16.69)
Matured	36.45	4.92
Advance for Investment	10.31	Nil



CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

	Year 2018-2019	Year 2017-2018
Consideration for acquisition of control in subsidiary	(28.56)	Nil
Redemption of Preference Shares	35.13	Nil
(Purchase)/Sale of Current Investments	32.59	(3.84)
Net Cash used in Investing Activities (B)	(1,281.55)	(2,562.67)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	0.54	1.10
Repayment of Long Term Borrowings	(24.83)	(87.32)
Increase in Short Term Borrowings	(279.18)	380.47
Proceeds from issue of Equity Shares of the Company	Nil	2,186.04
Finance Cost Paid	(90.75)	(52.59)
Dividend Paid on Equity Shares	(97.75)	(54.41)
Tax on Dividend Paid	(20.09)	(11.11)
Net Cash generated by / (used in) Financing Activities (C)	(512.06)	2,362.18
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	66.10	(129.66)
Cash & Cash Equivalents at the beginning of the year	11.76	141.42
Cash & Cash Equivalents at the end of the year	77.86	11.76

Note : Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

(₹ in Millions)

	Non-Current (Refer Note 21)	Current (Refer Note 24)
Borrowing as on 31st March, 2018	12.16	1,798.25
Cash Flows	(24.29)	(279.18)
Non Cash Changes		
Foreign Exchange Movement	Nil	(12.34)
Addition due to Acquisition of Subsidiary	176.29	50.53
Borrowing as on 31st March, 2019	164.16	1,557.26

See Accompanying Notes forming part of the Financial Statements

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As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

Gaurav J. Shah

Partner

Membership No. 35701

Ahmedabad

May 21, 2019

For and on behalf of the Board of Directors

Suresh J. Patel

Chairman & Managing Director

DIN : 00007400

Ankit S. Patel

Executive Director

DIN : 02173231

Mayur B. Padhya

Chief Financial Officer

Ahmedabad

May 21, 2019

Ashutosh B. Bhatt

Company Secretary



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

COMPANY BACKGROUND

The consolidated financial statements comprise financial statements of Bodal Chemicals Ltd. ('the Parent'), its subsidiaries (collectively, 'the Group') for the year ended 31st March 2019.

The Parent is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Parent is located at Plot No. 123-124, Phase - I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Group is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals. Further details about the business operations of the Group are provided in Note 42 - Segment Information .

1 Significant Accounting Policies:

1.1 Statement of compliance:

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the consolidated Financial Statements is based on Ind AS Schedule III of the Act.

1.2 Basis of Preparation of Financial Statements:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the

asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.3 Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies

at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

Following subsidiary and associate companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary / Associate Company	Country of Incorporation	Extent of Holding/ Voting Power as on 31st March 2019
1	SPS Processors Pvt. Ltd.	India	70.00%
2	Trion Chemicals Pvt. Ltd. (w.e.f 1st July 2018 - Associate concern upto 30th June 2018)	India	59.00%
3	Bodal Chemicals Trading Private Ltd. (w.e.f. 7th December 2018)	India	100.00%
4	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019)	China	100.00%

1.4 Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.5 Revenue Recognition:

a) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts if any.

b) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group

and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.6 Leasing:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.7 Foreign currencies:

In preparing the consolidated financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

1.8 Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1.9 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 49.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.10 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable

that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.11 Property, plant and equipment:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	10 years
Office Equipments	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

1.12 Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortised on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

1.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.14 Inventory:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by-item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

1.15 Provisions and Contingencies :

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.16 Financial Instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.17 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting Contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for

debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Para of Impairment of financial assets. All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit

risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For 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 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.18 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over

the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

1.19 Derivative Financial Instrument and Hedge Accounting:

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

1.20 Cash Flow Statement:

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

1.21 Operating Cycle:

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.22 Cash and Cash Equivalents:

The Group considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.23 Borrowing Cost:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is

deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.24 Segment Reporting:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

1.25 Government Grant and subsidies:

Government Grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to them and grants will be received.

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

1.26 Use of Estimates:

The preparation of the consolidated financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

1.27 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.8)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.11)
- Estimation of taxes (Note 1.10)
- Estimation of impairment (Note 1.13)
- Estimation of provision and contingent liabilities (Note 1.15)

1.28 Business Combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill. If the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

1.29 Recent accounting pronouncements

Ind AS 116, Leases: The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from 1st April 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements. The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

Amendment to Ind AS 12 'Income Taxes': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked

more directly to past transactions or events that generated distributable profits than to distributions to owners.

Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1st April 2019. The Company is evaluating the effect of the above in the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30th March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1st April 2019. The Company is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1st April 2019. The Company is evaluating the effect of the above in the financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Consolidated : Notes to the Financial Statements

Particulars	(₹ in Millions)									
	Land	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total		
2. PROPERTY, PLANT AND EQUIPMENT										
Gross Block										
Balance as at 1st April, 2017	150.44	525.76	19.21	1,716.25	12.11	12.23	54.13	2,490.13		
Additions	847.71	331.94	0.78	1,114.90	0.68	5.97	13.78	2,315.76		
Disposals	12.48	3.08	Nil	35.74	Nil	0.01	0.58	51.89		
Balance as at 31st March, 2018	985.67	854.62	19.99	2,795.41	12.79	18.19	67.33	4,754.00		
Additions due to Business Combination	12.61	177.37	Nil	314.14	0.38	0.68	2.10	507.28		
Additions	128.05	353.30	0.07	926.52	6.41	6.41	16.85	1,437.61		
Disposals	Nil	Nil	Nil	2.15	Nil	Nil	1.03	3.18		
Balance as at 31st March, 2019	1,126.33	1,395.29	20.06	4,033.92	19.58	25.28	85.25	6,695.71		
Accumulated Depreciation										
Balance as at 1st April, 2017	Nil	45.84	0.94	216.47	3.35	4.83	11.81	283.24		
Additions	Nil	18.55	0.32	89.82	1.41	2.64	5.18	117.92		
Disposals	Nil	0.29	Nil	5.67	Nil	Nil	0.17	6.13		
Balance as at 31st March, 2018	Nil	64.10	1.26	300.62	4.76	7.47	16.82	395.03		
Additions due to Business Combination	Nil	8.67	Nil	24.59	0	0.35	0.60	34.32		
Additions	Nil	35.76	0.33	160.43	1.54	4.68	7.62	210.36		
Disposals	Nil	Nil	Nil	0.21	Nil	Nil	0.42	0.63		
Balance as at 31st March, 2019	Nil	108.53	1.59	485.43	6.41	12.50	24.62	639.08		
Net Block										
Balance as at 31st March, 2018	985.67	790.52	18.73	2,494.79	8.03	10.72	50.51	4,358.97		
Balance as at 31st March, 2019	1,126.33	1,276.76	18.47	3,548.49	13.17	12.78	60.63	6,056.63		



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Computer Software	Membership Fees	Website	Total
3. INTANGIBLE ASSETS				
Gross Block				
Balance as at 1st March, 2017	3.52	7.40	0.00	10.92
Additions	0.20	1.22	Nil	1.42
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	3.72	8.62	0.00	12.34
Additions	1.43	0.51	Nil	1.94
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2019	5.15	9.13	0.00	14.28
Accumulated Amortisation				
Balance as at 1st April, 2017	1.14	1.67	0.00	2.81
Additions	1.26	1.74	Nil	3.00
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	2.40	3.41	0.00	5.81
Additions	0.30	1.83	Nil	2.13
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2019	2.70	5.24	0.00	7.94
Net Block				
Balance as at 31st March, 2018	1.32	5.21	Nil	6.53
Balance as at 31st March, 2019	2.45	3.89	Nil	6.34

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
4. INVESTMENTS (NON-CURRENT)		
Quoted		
Investments in Equity Instruments		
100 (P.Y. : 100) Equity Shares of Beta Nephthol Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
2,00,000 (P.Y. : 2,00,000) Equity Shares of Bhageria Industries Ltd. of ₹ 5/- Each Fully Paid Up	54.66	55.46
	54.66	55.46
Less : Allowance for Impairment Loss	0.00	0.00
Total of Investments in Equity Instruments	54.66	55.46
Investments in Mutual Funds		
Nil (P.Y. 5,00,000) Units of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth*	Nil	5.30
Total of Investments in Mutual Funds	Nil	5.30
Total of Quoted Investments	54.66	60.76



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Associate Concern		
Nil (P.Y. : 29,05,701) Equity Shares of Trion Chemicals Pvt. Ltd. of ₹ 10/- Each Fully Paid Up	Nil	2.15
Investments in other entities		
250 (P.Y. : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹ 100/- each Fully Paid Up	0.03	0.03
1,12,350 (P.Y. : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹ 10/-each Fully Paid Up	1.12	1.12
100 (P.Y. : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
10 (P.Y. : 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹ 100/- Each Fully Paid Up	0.00	0.00
10,200 (P.Y. : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- Each Fully Paid Up	0.10	0.10
3,542 (P.Y. : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of ₹ 25/- Each Fully Paid Up	0.09	0.09
Total of Investments in Equity Instruments (Unquoted)	1.34	3.49
Investments in Preference Shares		
Investment in Associate Concern		
Nil (P.Y. : 75,00,000) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of ₹ 10/- Each Fully Paid Up	Nil	75.00
Total Investments in Preference Shares	Nil	75.00
Total of Unquoted Investments	1.34	78.49
Total of Non-Current Investments	56.00	139.25

* Held as lien by bank against bank guarantees and letters of credit.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
5. LOANS (NON-CURRENT)		
(Unsecured and Considered Good)		
Loans to Employees	11.62	9.03
Loans to related party (refer note 43)	Nil	317.33
Total	11.62	326.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
6. OTHER FINANCIAL ASSETS (NON-CURRENT)		
Security Deposits	31.08	31.77
Advance for Investment	17.06	27.37
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	7.50	0.93
Total	55.64	60.07

* Held as lien by bank against bank guarantees and letters of credit.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
7. NON-CURRENT TAX ASSETS		
Non-Current Tax Assets	112.52	105.69
Total	112.52	105.69

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
8. DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
Property, Plant and Equipment	16.43	13.05
Allowance for Doubtful Debts	0.38	0.03
Unabsorbed Depreciation & c/f loss	111.92	20.16
Expense claimed for tax purpose on payment basis	0.27	0.13
Expenditure covered by section 35D of Income Tax Act, 1961	0.01	Nil
Expenditure covered by section 43B of Income Tax Act, 1961	0.27	0.08
Deferred Tax Liabilities		
Property, Plant and Equipment	(42.65)	Nil
Fair Value of Long Term Borrowing	(2.86)	Nil
Expense claimed for tax purpose on payment basis	-	Nil
Total	83.77	33.45

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
9. OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Capital Advances	137.21	101.88
Balance With Statutory Authorities	31.58	56.45
Total	168.79	158.33

9.1 Capital Advances include ₹ 56.42 Millions (P.Y. : ₹ Nil) to related parties. (refer note 43)

9.2 Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept., etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
10. INVENTORIES		
(Valued at the lower of cost or net realisable value)		
a) Raw Materials	355.55	259.01
Raw Materials in Transit	66.37	44.99
	421.92	304.00
b) Finished Goods	315.49	212.32
Finished Goods in Transit	261.61	15.56
	577.10	227.88
c) Stock In Process	973.94	528.67
	973.94	528.67
d) Stock In Trade	7.37	Nil
	7.37	Nil
e) Packing Materials	11.70	6.98
Packing Materials in Transit	0.22	0.08
	11.92	7.06
f) Stock of Fuel	11.75	7.80
	11.75	7.80
g) Stores and Spares	72.33	55.86
Stores and spares in Transit	Nil	1.78
	72.33	57.64
Total	2,076.33	1,133.05

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
11. INVESTMENTS (CURRENT)		
Quoted		
Investments in Mutual Funds		
5,00,000 (P.Y. Nil) Units of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth*	5.74	Nil
Nil (P.Y. : 5,218.057) Units of SBI Magnum Insta Cash Fund - Direct Plan -Growth	Nil	20.05
Nil (P.Y. : 4,454.535) Units of SBI Ultra Short Term Debt Fund - Direct Plan -Growth	Nil	10.03
Total	5.74	30.08

* Held as lien by bank against bank guarantees and letters of credit.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
12. TRADE RECEIVABLES		
Unsecured & Considered Good	3,297.45	3,467.60
Unsecured & Considered Doubtful	4.92	6.34
Less : Allowances for Credit Losses (refer note 39)	(4.92)	(6.34)
	3,297.45	3,467.60
Customers Bill Discounted	698.94	631.18
Other Trade Receivables	2,598.51	2,836.42
Total	3,297.45	3,467.60

12.1 Trade Receivables include ₹ 15.06 Millions (P.Y. : ₹ 27.36 Millions) to related parties. (refer note 43)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
13. CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	4.40	3.39
Balance with Banks in current accounts	73.46	8.37
Total	77.86	11.76

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
14. OTHER BANK BALANCES		
Margin Money Deposits with bank *	17.72	44.63
Unclaimed Dividend Accounts	2.38	2.38
Total	20.10	47.01

* Held as lien by bank against bank guarantees and letters of credit.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
15. LOANS (CURRENT)		
(Unsecured & considered good)		
Loans to Employees	21.07	19.74
Loan to Related Party	1.59	Nil
Inter-Corporate Loans	60.81	167.97
Total	83.47	187.71



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
16. OTHER FINANCIAL ASSETS (CURRENT)		
Derivative Assets	26.58	5.69
Other Receivables	6.30	4.03
Total	32.88	9.72

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
17. OTHER CURRENT ASSETS		
Export Incentives Receivables	87.69	38.28
Advance to Suppliers of Goods	199.97	89.07
Advance to Suppliers of Expenses	8.56	10.46
Balance with Statutory Authorities	253.91	341.99
Pre-paid Expenses	10.93	6.17
Others	2.70	1.44
Total	563.76	487.41

17.1 Advance to Suppliers of Goods include ₹ 65.50 Millions (P.Y. : ₹ 53.04 Millions) to related parties (refer note 43).

17.2 Balance with statutory authorities includes balances with GST, Excise Dept. etc.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
18. EQUITY SHARE CAPITAL		
Authorised Share Capital		
13,50,00,000 (P.Y. : 13,50,00,000) Equity Shares of ₹ 2/- each	270.00	270.00
2,50,00,000 (P.Y. : 2,50,00,000) Preference Share of ₹10/- each	250.00	250.00
	520.00	520.00
Issued, Subscribed & Paid up Share Capital		
12,21,88,765 (P.Y. : 12,21,88,765) Equity shares of ₹ 2/- each	244.38	244.38
Total	244.38	244.38

18.1 Reconciliation of the number of Shares

Particulars	As at 31st March, 2019	As at 31st March, 2018
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	12,21,88,765	10,91,07,370
Issue of Shares under Qualified Institutional Placement (refer note 18.2)	Nil	1,30,81,395
Closing balance	12,21,88,765	12,21,88,765

18.2 The Board of Directors of The Company at its meeting held on 17th October 2017 approved the allotment of 13,081,395 Equity Shares of face value of ₹ 2/- each to Qualified Institutional Buyers (QIBs) at the issue price of ₹ 172/- per Equity Share (including a premium of ₹ 170/-) aggregating to ₹ 224.99 Millions in accordance with the Provisions of Chapter VIII of SEBI (ICDR) Regulations, 2009.

18.3 Rights, preferences and restrictions attached to shares Equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of The Company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Preference shares

The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of ₹ 10/- per share. Each shareholder shall have a right to attend general meeting of The Company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of The Company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by The Company but do not have right to participate in surplus profit.

18.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in The Company.

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,71,12,857	30.37	3,48,35,151	28.51
Shri Bhavin S. Patel	1,04,96,342	8.59	94,59,549	7.74
Shri Ankit S. Patel	72,61,072	5.94	65,36,550	5.35

18.5 The Board of Directors at its meeting held on 21st May 2019 has recommended a dividend of ₹ 0.80 (Paise Eighty only) per equity share for the financial year ended 31st March 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
19. OTHER EQUITY		
Capital Reserves on Consolidation		
Capital Reserves	0.18	0.18
Capital Redemption Reserve	76.12	76.12
Securities Premium	289.67	289.67
At the commencement of the year	2,381.91	222.04
Add : Premium on shares issued during the year (refer note 18.2)	Nil	2,223.83
	2,381.91	2,445.87
Less : Expenses related to issue of shares	Nil	63.96
At the end of the year	2,381.91	2,381.91
Employee Stock Options Outstanding Account (refer note 48)	18.06	3.86
General Reserve	138.86	138.86
Retained Earnings		
At the commencement of the year	3,834.62	2,681.78
Add : Profit during the year	1,431.99	1,225.60
Add : Remeasurements of Net Defined Benefit Plans (Net of tax)	(4.36)	(7.10)
	5,262.25	3,900.28
Less : Appropriations :		
Final Dividend on Equity Shares	97.76	54.55
Tax on Dividends	20.09	11.11
	117.85	65.66
At the end of the year	5,144.40	3,834.62
Total	8,049.20	6,725.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

19.1 Nature and purpose of Reserves

Capital Reserves on Consolidation

Capital Reserve on Consolidation represents the additional net assets received by the Parent pursuant to acquisition of 70% holding in SPS Processors Pvt. Ltd.

Capital Reserves

Capital reserve is utilised in accordance with provision of the Act.

Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and it is a non-distributable reserve.

Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
20. BORROWINGS (NON-CURRENT)		
Secured		
Term loan from Banks	99.45	2.50
Unsecured		
Trade Deposits	7.77	7.70
6,13,330 (P.Y. : NIL) Preference Shares of ₹ 10/- each	6.13	Nil
Loan From Members	3.51	Nil
Loan From Directors	21.53	Nil
Total	138.39	10.20
Current Maturities of Long Term Borrowings (Refer Note 25)	25.77	1.96

20.1 Nature of Security and terms of repayment for Long Term secured borrowings

- 20.1.1 Term loan outstanding amount of ₹ 122.72 Millions (P.Y. ₹ Nil) is secured by exclusive charge over movable fixed asset including plant, machinery and other fixed assets to be created out of term loan and over factory land and building and repayable in quarterly installments. Last Instalment is due in January 2023. Rate of Interest 11.10%.
- 20.1.2 Term loan is collaterally further secured by entire present and future current assets of the Company.
- 20.1.3 Term loan is secured by exclusive charge on residential plot of a director and personal guarantee of all directors
- 20.1.4 Vehicle loan outstanding amount of ₹ 2.50 Millions (P.Y. : ₹ 4.46 Millions) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Last Instalment is due in May 2020. Rate of Interest 8.30% (P.Y. : 8.30%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

20.1.5 The Company has not defaulted in the repayment of loans and interest in current year.

20.2 Terms and conditions Long Term unsecured borrowings

20.2.1 Loan taken from members and directors are interest-free and is not repayable in next financial year.

20.2.2 Loan taken from members shows loan taken from such member at the time when such member was a director.

20.3 Trade deposits are payable as per the terms attached to them. Interest rate on trade deposit is 11% (P.Y. 11%)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
21. PROVISIONS (NON-CURRENT)		
Provision for Employee Benefits (Refer Note 45)	5.15	0.83
Total	5.15	0.83

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
22. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Property, Plant and Equipment	462.34	299.34
Fair Value of Forward Contracts	9.28	1.99
Fair Value of Quoted Equity Shares and Mutual Fund	Nil	0.12
Deferred Tax Assets		
Expense claimed for tax purpose on payment basis	(8.93)	(4.31)
Difference in carrying value and tax base of investments measured at FVTPL	Nil	(2.17)
Allowance for Doubtful Debts	(1.21)	Nil
Expenditure covered by section 35D of Income Tax Act, 1961	(13.57)	Nil
Employees Stock Options Outstanding	(6.31)	(17.88)
Fair Value of Quoted Equity Shares and Mutual Fund	(1.14)	Nil
Total	440.46	277.09

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
23. BORROWINGS (CURRENT)		
Secured		
Working Capital Loans from Banks	699.73	715.28
Unsecured		
Loans From Directors	155.53	451.79
Loans From Corporates	3.06	Nil
	858.32	1,167.07
Borrowing Bill Discounted (Secured)	698.94	631.18
Total	1,557.26	1,798.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

23.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and confirmed contracts and collaterally secured by equitable mortgage of Immovable property and Hyp. Of P&M of The Company and personal guarantees of the Chairman and Managing Director and Executive Directors

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
24. TRADE PAYABLES		
(a) Total outstanding dues of Micro and Small Enterprises	26.85	14.38
(b) Total outstanding dues of Others	2,193.96	1,504.71
Total	2,220.81	1,519.09

24.1 Trade Payables include ₹ 33.50 Millions (P.Y. : ₹ 0.62 Millions) to related parties (refer note 43)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
25. OTHER FINANCIAL LIABILITIES (CURRENT)		
Current Maturities of Long Term Debt	25.77	1.96
Unclaimed Dividends	2.38	2.38
Creditors for Capital Goods	127.89	115.37
Other Payables	1.61	0.05
Total	157.65	119.76

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
26. OTHER CURRENT LIABILITIES		
Advance Received from Customers	40.91	4.13
Statutory Liabilities	112.94	17.04
Total	153.85	21.17

26.1 Advance from Customers include ₹ Nil (P.Y. : ₹ 0.30 Millions) to related parties (refer note 43)

26.2 Statutory liabilities represent amounts payable towards GST, TDS etc.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
27. PROVISIONS (CURRENT)		
Provision for Employee Benefits (refer note 45)	10.13	5.00
Total	10.13	5.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
28. CURRENT TAX LIABILITIES (NET)		
Provision for Taxes (Net)	0.02	17.80
	0.02	17.80

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
29. REVENUE FROM OPERATIONS		
Sale of products (including excise duty*)	13,988.49	11,541.89
Other Operating Income		
Export Incentives	221.47	97.48
HCL Lifting Charges Income	4.14	11.58
Scrap Sales	20.92	10.42
Brokerage Income	Nil	0.01
Total	246.53	119.49
Total Revenue From Operations	14,235.02	11,661.38

* Revenue from operations for period up to 30th June, 2017 included Excise duty, which is discontinued from 1st July 2017 on implementation of Goods and Service tax (GST) in India. In accordance with Ind AS 115, Goods and Service tax (GST), is not included in revenue from operations. In view of the aforesaid restructuring of Indirect taxes, revenue from operations for the year ended on 31st March 2019 is not comparable with previous year.

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
30. OTHER INCOME		
Interest Income		
On Deposits	2.39	2.73
On Others	65.58	30.95
Profit on sale of Investments (Net)	2.50	26.16
Gain on Conversion of Associate to Subsidiary	23.98	Nil
Gain on Fair value of financial liabilities	5.19	Nil
Reversal of Allowance for Doubtful Debts	1.62	Nil
Profit on sale of Assets (Net)	0.25	1.70
Dividend Income	4.44	5.42
Exchange Rate Difference (Net)	Nil	25.30
Liabilities no Longer Required Written Back	12.05	0.01
Other Income	15.52	2.64
Total	133.52	94.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
31. COST OF MATERIALS CONSUMED		
Opening Stock	304.00	567.27
Add: Addition due to Acquisition of Subsidiary	44.68	Nil
Add: Purchases during the year	9,538.88	6,862.77
	9,887.56	7,430.04
Less : Closing Stock	421.92	304.00
Total	9,465.64	7,126.04

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
32. PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	159.88	21.25
Total	159.88	21.25

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods	577.10	227.88
Stock In Process	973.94	528.67
Stock - in Trade	7.37	Nil
Total (A)	1,558.41	756.55
Inventories at the beginning of the year		
Finished Goods	227.88	196.00
Stock In Process	528.67	486.51
Stock - in Trade	Nil	4.47
Total (B)	756.55	686.98
Addition due to Acquisition of Subsidiary		
Finished Goods	35.60	Nil
Stock In Process	1.22	Nil
Total (C)	36.82	Nil
Changes in Inventories (B)-(C)-(A)	(765.04)	(69.57)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	Nil	20.89
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade	(765.04)	(90.46)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
34. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	552.79	418.25
Contribution to Provident & Other Funds (refer note 45)	28.83	24.30
Employee Share Based Payments (refer note 48)	14.20	3.86
Staff Welfare Expenses	40.97	25.75
Total	636.79	472.16

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
35. FINANCE COSTS		
Bank Interest	62.08	31.28
Other Interest Expenses	1.95	4.30
Amortisation of Borrowing Cost	4.27	0.48
Other Borrowing Cost	22.45	17.02
Total	90.75	53.08

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
36. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	210.36	117.92
Amortisation on Intangible Assets	2.13	3.00
Total	212.49	120.92

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
37. OTHER EXPENSES		
Stores Consumption	46.82	41.32
Power & Fuel Consumption	823.72	659.28
Repairs to		
Machinery	254.92	175.53
Building	38.26	24.09
Others	0.81	2.31
Pollution Control Expenses	215.45	164.27
Rent & Taxes	7.16	5.83
Labour Charges	290.15	243.98
Insurance Expenses	9.61	12.36
Corporate Social Responsibility Expenses	34.84	31.07



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Directors' Sitting fees	0.43	0.45
Travelling & Vehicle Expense	32.59	28.70
Payment to Auditors (refer note 37.1)	2.41	1.70
Legal & Professional Fees	35.41	26.07
Loss on Disposal of Assets	Nil	19.35
Fair Value Loss on Investments measured through profit or loss	0.36	7.78
Exchange Rate Difference (Net)	23.63	Nil
Packing Material Consumption	147.96	110.94
Freight & Handling Charges	210.45	197.79
Advertisement & Business Promotion Expenses	19.78	25.13
Sales Commission	99.10	73.37
Allowance for Doubtful Debts	Nil	8.33
Other Expenses	82.47	89.64
Total	2,376.33	1,949.29

37.1 Payment to Auditors include (excluding GST/service tax) as below:

(₹ in Millions)

Particulars	2018-19	2017-18
I) As Statutory Auditors	2.25	1.55
II) Taxation matters	0.16	0.15

Additional Disclosure requirement:

(₹ in Millions)

Financial Instruments Classification by Category	As at 31st March, 2019	As at 31st March, 2018
38. FINANCIAL INSTRUMENTS		
Financial Assets		
Financial Assets measured at fair value through profit and loss		
Investments	60.40	90.84
Derivative Assets	26.58	5.69
Financial Assets measured at amortised cost		
Investments	1.34	78.49
Loans	95.09	514.07
Trade Receivables	3,297.45	3,467.60
Cash and Cash Equivalents	77.86	11.76
Other Bank Balances	20.10	47.01
Other Financial Assets	61.94	64.10
Total Financial Assets	3,640.76	4,279.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March 2019	As at 31st March 2018
Financial Liabilities		
Financial Liabilities measured at amortised cost		
Borrowings	1,695.65	1,808.45
Trade Payables	2,220.81	1,519.09
Other Financial Liabilities	157.65	119.76
Total Financial Liabilities	4,074.11	3,447.30

Fair Value Hierarchy

(₹ in Millions)

Financial Assets and liabilities measured at fair value 31-Mar-2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	54.66	Nil	Nil	54.66
Investments in quoted mutual Fund	5.74	Nil	Nil	5.74
Derivative Assets	Nil	26.58	Nil	26.58

(₹ in Millions)

Financial Assets and liabilities measured at fair value 31-Mar-2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	55.46	Nil	Nil	55.46
Investments in quoted mutual Fund	35.38	Nil	Nil	35.38
Derivative Assets	Nil	5.69	Nil	5.69

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ✓ the use of quoted market prices or dealer quotes for similar instruments
- ✓ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

- ✓ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

39. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk

Credit Risk

Liquidity Risk

Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

(A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Group is making provision on Trade Receivables based on Expected Credit Loss Model (ECL) as below:

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

Reconciliation of loss allowance provision

(₹ in Millions)		
Reconciliation of Loss Allowance	2018-19	2017-18
Opening Balance	6.34	2.55
Addition due to Acquisition of Subsidiary	0.19	Nil
(Reversal) / Recognition of loss allowance measured as per ECL	(1.61)	8.32
Write off Bad Debts	Nil	(4.53)
Closing Balance (refer note 12)	4.92	6.34

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(₹ in Millions)

Maturities of financial instruments as on 31-Mar-2019	Within 12 months	After 12 months
Financial Assets		
Investments	5.74	56.00
Trade Receivables	3,297.45	Nil
Other Bank Balances	20.10	Nil
Loans	83.47	11.62
Other Financial Assets	32.88	55.64
Financial Liabilities		
Borrowings	1,557.26	138.39
Trade Payables	2,220.81	Nil
Other Financial Liability	157.65	Nil

(₹ in Millions)

Maturities of financial instruments as on 31-Mar-2018	Within 12 months	After 12 months
Financial Assets		
Investments	30.08	139.25
Trade Receivables	3,467.60	Nil
Other Bank Balances	47.01	Nil
Loans	187.71	326.36
Other Financial Assets	9.72	60.07
Financial Liabilities		
Borrowings	1,798.25	10.20
Trade Payables	1,519.09	Nil
Other Financial Liability	119.76	Nil

(C) Market Risk Management

i) Foreign Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows

(A) Foreign currency risk exposure (₹ in Millions)

Particulars	31-Mar-19			31-Mar-18		
	USD	EUR	Other	USD	EUR	Other
Financial Assets						
Trade Receivables	14.44	Nil	Nil	15.82	Nil	Nil
Cash & Cash Equivalents	0.02	Nil	Nil	Nil	Nil	Nil
Financial Liabilities						
Trade Payables	3.36	0.00	Nil	1.42	0.01	Nil
Borrowings	15.30	Nil	Nil	18.08	Nil	Nil
Net Exposure	(4.20)	(0.00)	Nil	(3.68)	(0.01)	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(B) SENSITIVITY (+/-5%) (₹ in Millions)

Currency	2018-19			2017-18		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(7.68)	(7.68)	5.00%	(7.83)	(7.83)
USD	-5.00%	7.68	7.68	-5.00%	7.83	7.83
EUR	5.00%	(0.00)	(0.00)	5.00%	(0.03)	(0.03)
EUR	-5.00%	0.00	0.00	-5.00%	0.03	0.03

ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31st March 2019 and 31st March 2018, the Group's borrowings at variable rate were mainly denominated in ₹ & USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(A) INTEREST RATE RISK EXPOSURE (₹ in Millions)

Particulars	31-Mar-2019	31-Mar-2018
Variable Rate borrowings	1,521.40	1,346.46
Fixed Rate Borrowings	10.27	10.20

At the end of reporting period the Company had the following variable rate borrowings.

(₹ in Millions)

Particulars	2018-19			2017-18		
	Average Interest Rate	Balance	% of Total Loan	Average Interest Rate	Balance	% of Total Loan
Cash Credit Facility	8.96%	342.77	22.53%	10.11%	170.39	12.65%
Packing Credit Facility	3.32%	356.95	23.46%	2.34%	439.42	32.64%
Buyers Credit Facility	2.62%	0.02	0.01%	2.02%	104.09	7.73%
Term Loan	10.70%	121.85	8.01%	-	Nil	-
Vehicle Loan	8.85%	0.87	0.05%	-	Nil	-
Bills Discounting Facility	3.32%	698.94	45.94%	2.34%	631.18	46.88%
Overdraft facility	8.25%	Nil	Nil	8.15%	1.38	0.10%
Net Exposure		1,521.40	100.00%		1,346.46	100.00%

SENSITIVITY (+/- 1%)

	Movement in Rate	Amount in ₹	
		As at 31st March, 2019	As at 31st March, 2018
Interest rates	1.00%	9.90	8.80
Interest rates	-1.00%	(9.90)	(8.80)

iii) Security Price Risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

SENSITIVITY (+/-5%)		(₹ in Millions)			
Particulars	Investment in Quoted Securities				
	31-Mar-19		31-Mar-18		
Increase/(decrease)	5%	-5%	5%	-5%	
Impact on PAT	1.85	(1.85)	1.81	(1.81)	

40. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

(₹ in Millions)		
Particulars	31-Mar-19	31-Mar-18
Net Debt (₹)	1,643.56	1,798.65
Total Equity (₹)	8,302.86	6,980.80
Debt Equity Ratio	0.20	0.26

(₹ in Millions)		
Particulars	31-Mar-19	31-Mar-18
41. INCOME TAXES		
Current Tax	618.77	553.16
Deferred Tax	151.10	65.71
Total Income Tax Expenses (excluding deferred tax benefit on OCI)	769.87	618.87

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Millions)		
Particulars	31-Mar-19	31-Mar-18
Profit Before Tax	2,191.70	1,864.78
Statutory Tax Rate (%)	34.944%	34.61%
Tax at statutory rate	765.87	645.36
Effect of income that is exempt from tax	(1.55)	(1.87)
Effect of expenses that are not deductible in determining taxable profit	12.02	14.98
Effect of share issue expenses debited to securities premium	Nil	(22.13)
Effect of tax on special rate income	(1.25)	Nil
Effect of tax deduction under section 35AC ,35(i)(ii) & 80G	(9.20)	(11.47)
Effect of deferred tax balances due to change in income tax rate from 34.608 % to 34.944 % (effective 01.04.19)	Nil	2.66
Effect of interest on tax	-	Nil
Deferred Tax on other comprehensive income	2.34	3.75
Others	(3.20)	(8.03)
	765.03	623.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Adjustments recognised in the current year in relation to the current tax of prior years	4.84	(4.38)
Income tax expense recognised in profit or loss	769.87	618.87
Effective Tax Rate	35.13%	33.19%

42. SEGMENT INFORMATION:

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Group is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below

1. Information about Geographical Areas

Particulars	2018-19			2017-18		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	8,132.54	6,102.48	14,235.02	8,261.50	3,399.88	11,661.38
Carrying Cost of Segment Assets	11,986.08	1,000.50	12,986.58	9,724.82	1,025.17	10,749.99

2. Information about Major Customers

No customers individually accounted for 10% or more revenue during financial year ending on 31st March 2019 and 31st March 2018

Particulars	2018-19	2017-18
Revenue from Top Customer	9%	9%
Revenue from Top 5 consumers	28%	32%

43. RELATED PARTY TRANSACTIONS

(a) List of Related Parties

I. Key Management Personnel (KMP)

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary
6. Shri Vijayant Mittal	Director
7. Shri Avinash Jain	Director (w.e.f. 1st October 2018)
8. Shri Kapil Jain	Director (upto 20th August 2018)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

9.	Shri Rakesh R. Patel	Director
10.	Shri Surendra N. Shah	Independent Director (Upto 7th October 2017)
11.	Shri Bipin R. Patel	Independent Director (upto 25th October 2018)
12.	Shri Nalin Kumar	Independent Director
13.	Smt. Neha Huddar	Independent Director
14.	Shri Sunil K. Mehta	Independent Director (w.e.f. 13th December 2017)
15.	Shri Parin D. Shah	Independent Director (w.e.f 29th December 2018)
16.	Shri Rajesh N. Shah	Director
17.	Shri Naishad D. Desai	Director
18.	Shri Shrey B. Patel	Whole Time Director (w.e.f. 28th August 2018)
19.	Shri Akash D. Mewada	Company Secretary

II. Enterprise under significant influence of key management personnel (Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) AV Dyeing & Printing Pvt. Ltd.
- (iii) Raj Chemicals
- (iv) Globizz Translogistics Pvt. Ltd.
- (v) Raj Chemicals Ltd.

III. Associate Concern (AC)

- (i) Trion Chemicals Pvt. Ltd. (Up to 30th June 2018)

b) Transactions with related parties

(₹ in Millions)			
Related party disclosure	Relationship	2018-2019	2017-2018
Remuneration			
Shri Suresh J. Patel	KMP	10.80	10.80
Shri Bhavin S. Patel	KMP	7.20	7.20
Shri Ankit S. Patel	KMP	7.20	7.20
Shri Mayur B. Padhya	KMP	4.39	4.14
Shri Ashutosh B. Bhatt	KMP	0.92	0.71
Shri Vijayant Mittal	KMP	Nil	0.84
Shri Avinash Jain	KMP	Nil	0.54
Shri Kapil Jain	KMP	Nil	0.16
Shri Shrey B. Patel	KMP	0.36	N.A.
Shri Akash D. Mewada	KMP	0.39	N.A.
Director Commission			
Shri Suresh J. Patel	KMP	43.50	Nil
Shri Bhavin S. Patel	KMP	32.50	Nil
Shri Ankit S. Patel	KMP	32.50	Nil



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Related party disclosure	Relationship	2018-2019	2017-2018
Directors' Sitting Fees			
Shri Surendra N. Shah	KMP	Nil	0.07
Shri Bipin R. Patel	KMP	0.08	0.15
Shri Nalin Kumar	KMP	0.10	0.13
Smt. Neha Huddar	KMP	0.10	0.08
Shri Sunil K. Mehta	KMP	0.13	0.02
Shri Parin D. Shah	KMP	0.02	Nil
Loan Given			
Trion Chemicals Pvt. Ltd.	AC	60.26	219.97
Loan Received Back			
Trion Chemicals Pvt. Ltd.	AC	17.90	60.76
Loan Received			
Shri Suresh J. Patel	KMP	53.70	86.00
Shri Bhavin S. Patel	KMP	8.55	4.50
Shri Ankit S. Patel	KMP	11.85	10.40
Shri Rakesh R. Patel	KMP	18.36	327.20
Shri Rajesh N. Shah	KMP	13.69	N.A.
Loan Repaid			
Shri Suresh J. Patel	KMP	173.80	203.90
Shri Bhavin S. Patel	KMP	8.23	107.40
Shri Ankit S. Patel	KMP	15.30	8.70
Shri Rakesh R. Patel	KMP	191.40	Nil
Shri Naishad D. Desai	KMP	16.45	N.A.
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	10.17	3.20
Trion Chemicals Pvt. Ltd.	AC	Nil	0.16
Purchases of Other Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.06	Nil
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.68	0.60
Clearing & Forwarding Expense			
Globizz Translogistics Pvt. Ltd	Enterprise	0.17	Nil
Dividend Paid			
Shri Suresh J. Patel	KMP	28.36	17.35
Shri Bhavin S. Patel	KMP	7.57	4.73
Shri Ankit S. Patel	KMP	5.48	3.27
Shri Mayur B. Padhya	KMP	0.14	0.09



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Related party disclosure	Relationship	2018-2019	2017-2018
Proceeds from Redemption of Pref. Shares			
Trion Chemicals Pvt. Ltd.	AC	35.13	Nil
Interest Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	0.31
Trion Chemicals Pvt. Ltd.	SC	8.33	21.93
Sales of Asset			
Trion Chemicals Pvt. Ltd.	SC	Nil	0.04
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.06	52.89
Trion Chemicals Pvt. Ltd.	SC	Nil	4.71
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Loan			
Shri Suresh J. Patel	KMP	0.17	120.27
Shri Bhavin S. Patel	KMP	0.35	0.03
Shri Ankit S. Patel	KMP	0.85	4.30
Shri Rakesh R. Patel	KMP	154.16	327.20
Shri Naishad D. Desai	KMP	15.05	N.A.
Shri Rajesh N. Shah	KMP	16.29	N.A.
As Preference Shareholders			
Shri Naishad D. Desai	KMP	6.13	Nil
As Trade Payables			
Trion Chemicals Pvt. Ltd.	SC	Nil	0.19
Shri Suresh J. Patel	KMP	12.01	0.04
Shri Bhavin S. Patel	KMP	10.23	0.16
Shri Ankit S. Patel	KMP	10.88	0.18
Shri Mayur B. Padhya	KMP	0.17	0.00
Shri Ashutosh B. Bhatt	KMP	0.07	0.05
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.07	Nil
Shri Shrey B. Patel	KMP	0.05	N.A.
Shri Akash D. Mevada	KMP	0.02	N.A.
As Advance from Customer			
Trion Chemicals Pvt. Ltd.	SC	Nil	0.30
As Investment			
As Equity shares			
Trion Chemicals Pvt. Ltd.	SC	Nil	29.06
As Preference shares			
Trion Chemicals Pvt. Ltd.	SC	Nil	75.00

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Related party disclosure	Relationship	2018-2019	2017-2018
Amounts Receivable			
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	15.06	27.36
As Capital Advance			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.42	Nil
As Advance Given to Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	53.04
AV Dyeing & Printing Pvt. Ltd.	Enterprise	65.50	Nil
As Loan to Related Party			
Trion Chemicals Pvt. Ltd.	SC	Nil	317.33
Raj Chemicals	Enterprise	1.59	N.A.

Notes:-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

Particulars	2018-19	2017-18
44. EARNINGS PER SHARE		
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ in millions)	1,412.99	1,219.23
Weighted average number of Equity Shares	122,188,765	114,841,680
Basic EPS (₹)	11.56	10.62
Diluted EPS (₹)	11.54	10.62
Nominal Value per Share (₹)	2	2

44.1 DETAILS USED IN CALCULATION OF DILUTED EPS

Particulars	2018-19	2017-18
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ in millions)	1,412.99	1,219.23
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	122,188,765	114,841,680
Share deemed to be issued in respect of employee options	83,755	Nil
Weighted average number of Equity Shares used for diluted EPS	122,272,520	114,841,680

(₹ in Millions)

Particulars	2018-19	2017-18
45. EMPLOYEE BENEFITS		
Defined Contribution Plan		
Employer's contribution to Provident Fund	19.93	16.62
Employer's contribution to E.S.I.C.	2.38	2.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Defined Benefits Plan

Gratuity: The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's financial statements based on actuarial valuations being carried out as at 31st March 2019.

Balance sheet disclosures

(a) The amounts disclosed in the consolidated balance sheet and the movements in the defined benefit obligation over the year:

(₹ in Millions)		
Particulars	31-Mar-19	31-Mar-18
Liability at the beginning of the year	49.37	30.70
Addition due to Acquisition of Subsidiary	0.31	Nil
Interest Costs	3.69	2.23
Current Service Costs	8.76	5.57
Past Service Cost	Nil	2.91
Benefits paid	(1.37)	(2.33)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	Nil	2.96
- Financials	1.05	8.02
- Experience	4.56	(0.69)
Liability at the end of the year	66.37	49.37

(b) Movements in the fair value of plan assets

(₹ in Millions)		
Particulars	31-Mar-19	31-Mar-18
Fair value of plan assets at the beginning of the year	43.54	36.51
Interest Income	3.54	2.86
Expenses deducted from the Fund	Nil	Nil
Expected return on plan assets	(1.10)	(0.59)
Contributions	6.48	7.09
Benefits paid	(1.37)	(2.33)
Fair value of plan assets at the end of the year	51.09	43.54

(c) Net liability disclosed above relates to

(₹ in Millions)		
Particulars	31-Mar-19	31-Mar-18
Fair value of plan assets at the end of the year	51.09	43.54
Liability as at the end of the year	66.37	49.37
Net (Liability)/Asset	(15.28)	(5.83)
Non-Current Portion	(5.15)	(0.83)
Current Portion	(10.13)	(5.00)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(d) Balance Sheet Reconciliation

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Opening Net liability	5.83	(5.81)
Addition due to Acquisition of Subsidiary	0.32	Nil
-Expenses recognised in the statement of consolidated P&L	8.91	7.85
-Expenses recognised in the consolidated OCI	6.70	10.88
-Employer's Contribution	(6.48)	(7.09)
Amount recognised in the Balance Sheet	15.28	5.83

Profit & Loss Disclosures

(a) Net interest Cost for Current year

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Interest Cost	3.69	2.23
Interest Income	(3.54)	(2.86)
Net interest Cost/(Income)	0.15	(0.63)

(b) Expenses recognised in the consolidated profit & loss

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Net Interest Cost/(Income)	0.15	(0.63)
Expenses deducted from the Fund	Nil	Nil
Current Service Cost	8.76	5.57
Past service cost and loss/(gain) on curtailments and settlement	Nil	2.91
Expenses recognised in the consolidated profit & loss	8.91	7.85

(c) Expenses recognised in the consolidated Other Comprehensive Income

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Remeasurement		
Expected return on plan assets	1.10	0.59
Addition due to Acquisition of Subsidiary	(0.01)	Nil
Actuarial (Gain) or Loss	5.61	10.29
Net Income / Expenses recognised in OCI	6.70	10.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Sensitivity Analysis

(₹ in Millions)

Particulars	31-Mar-19	31-Mar-18
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of		
-Discounting by +0.5%	62.93	46.87
-Salary Increase by +0.5%	69.37	51.63
-Employee Turnover by +20%	66.42	49.45
Data effect of change in Rate of		
-Discounting by -0.5%	70.12	52.11
-Salary Increase by -0.5%	63.46	47.19
-Employee Turnover by +20%	66.27	49.22

Significant Actuarial Assumptions

Particulars	31-Mar-19	31-Mar-18
Discount Rate	7.55%	7.70%
Salary Escalation	8.00%	8.00%
Attrition Rate	2%-10%	2%-10%

The rate used to discount other long term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post employment benefit obligation.

The estimated term of the Obligation is around 11.67 years. The yields on the government bonds as at the valuation date were 7.55% (P.Y: 7.70%).

46. GROUP INFORMATION

Sr. No	Name of Company	Principal Place of Business	Effective Proportion of Ownership Interest (%) (31-Mar-2019)	Effective Proportion of Voting Power Held (%) (31-Mar-2019)
1	SPS Processors Pvt. Ltd. – Subsidiary w.e.f. 21st March, 2017	India	70.00%	70.00%
2	Trion Chemicals Pvt. Ltd. – Subsidiary w.e.f. 01st July 2018 and Associate upto 30th June 2018	India	59.00%	59.00%
3	Bodal Chemicals Trading Pvt. Ltd. – Subsidiary w.e.f. 7th December, 2018	India	100.00%	100.00%
4	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January, 2019)	China	100.00%	100.00%

Sr No	Name of Company	Principal Place of Business	Effective Proportion of Ownership Interest (%) (31-Mar-2018)	Effective Proportion of Voting Power Held (%) (31-Mar-2018)
1	SPS Processors Pvt. Ltd. – Subsidiary w.e.f. 21st March 2017	India	70.00%	70.00%
2	Trion Chemicals Pvt. Ltd. – Associate w.e.f. 16th March 2017	India	41.51%	41.51%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

(₹ in Millions)

Particulars	As at 31st March 2019	As at 31st March 2018
47. CONTINGENT LIABILITIES AND COMMITMENTS		
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	67.14	61.33
ii. Excise	30.90	31.38
iii. Service Tax	3.42	0.39
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Group has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
2) Letter of Credit issued by bankers and outstanding as on 31st March 2019.	104.98	97.13
(b) Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	32.33	136.72

48. SHARE BASED PAYMENTS

- a) The Group initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September, 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Group). Under the Scheme, the Nomination and Remuneration Committee of directors of the Group, administers the Scheme and grants stock options to eligible directors or employees of the Group. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017	146,200	13/01/2018	12/01/2019	50	123.52

b) Compensation Expenses arising on account of the Share Based Payments

(₹ in Millions)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Employee Share Based Payments (refer note 34)	14.20	3.86

c) Fair Value on the grant date

The fair value on the grant date is determined using "Black Scholes Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.

The model inputs for options granted are as mentioned below.

- Weighted average exercise price ₹ 50/-
- Grant date: 13/01/2018
- Vesting Period: 13/01/2018 to 12/01/2019
- Share Price at grant date: ₹ 168.70
- Expected price volatility of Company's share: 31%
- Expected dividend yield: 0.19%
- Risk free interest rate: 7.45 %

The expected price volatility is based on the historic volatility (based on remaining life of the options).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

49. Additional information, as required under Schedule III to The Companies Act, 2013

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)
Parent								
Bodal Chemicals Ltd.	100.71%	8,352.20	101.96%	1440.65	100.23%	(4.37)	101.96%	1436.28
Subsidiary								
SPS Processors Pvt. Ltd. Ltd.	0.65%	53.76	1.16%	16.39	-0.46%	0.02	1.16%	16.41
Trion Chemicals Pvt. Ltd.	-0.75%	(62.22)	-4.13%	(58.34)	0.23%	(0.01)	-4.14%	(58.35)
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd	0.01%	0.77	-0.07%	(0.97)	0.00%	Nil	-0.07%	(0.97)
Bodal Chemicals Trading Private Limited	0.00%	0.14	0.00%	0.04	0.00%	Nil	0.00%	0.04
Inter-company eliminations & Consolidation adjustments	-0.62%	(51.07)	1.08%	15.22	0.00%	0.00	1.09%	15.22
Total	100.00%	8,293.58	100.00%	1,412.99	100.00%	(4.36)	100.00%	1,408.63

50. BUSINESS COMBINATIONS

Pursuant to the share purchase agreement dated 25th June 2018, the Company acquired further shares in Trion Chemicals Private Limited ("Trion") and raised its shareholding to 59%. As per the Memorandum of Understanding entered between both the Companies, the voting rights and other operating powers were vested to the Company w.e.f. 1st July 2018. Accordingly Trion has been considered as an Associate till 30th June 2018 and a subsidiary thereafter and has been consolidated accordingly.

The purchase price has been allocated based on the management's estimates and fair valuation determined by independent valuer:

Goodwill arising on acquisition

	(₹ in Millions)
Consideration transferred	29.86
Add : Fair value of Equity interest held before acquisition of control	17.29
Add : Fair value of non-controlling interest	17.08
Less: fair value of identifiable net assets acquired	41.65
Goodwill arising on acquisition	22.58

Net cash outflow on acquisition of subsidiary

	(₹ in Millions)
Consideration paid in Cash	29.86
Less: Cash and cash equivalent balance acquired	(1.30)
Net cash outflow on acquisition of subsidiary	28.56

The consideration for additional shares has been paid in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (CONTD.)

Assets acquired and liabilities recognised at the date of acquisition

	(₹ in Millions)
Current Assets	
Cash and cash equivalents	1.30
Trade and other receivables	71.83
Inventories	83.93
Non Current assets	
Plant and equipment	519.18
Other Non-Current Assets	39.54
Current liabilities	
Trade payable	27.47
Other Current Liabilities	87.80
Non Current liabilities	
Non-Current Liabilities	558.86

Non –controlling interests

The non – controlling interest (41% ownership interest in Trion Chemicals Private Limited) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to ₹ 17.08 Million.

Impact of acquisitions on the results of the Group

Included in the profit for the year is ₹ (-)58.34 Million attributable to the additional business generated by Trion Chemicals Private Limited. Revenue for the year includes ₹ 159.82 Million in respect of Trion Chemicals Private Limited.

51. Donation made to Political Party during the financial year 2018-19 under provisions of Section 182 of the Companies Act, 2013.

Name of Political Party	(₹ In Millions)
Bhartiya Janta Party	0.10

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad
May 21, 2019

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
May 21, 2019

Ankit S. Patel
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
Company Secretary



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

CIN: L24110GJ1986PLC009003
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