



Date: 10th July 2020

To, Manager - Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Scrip Code: 523694	To, The Manager - Listing Department, The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: APCOTEXIND
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Sub: Annual Report 2019-20

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2019-20.

The said Annual Report 2019-20 is available on the website of the Company i.e. www.apcotex.com

This is for your information and records.

Thanking you,

For Apcotex Industries Limited

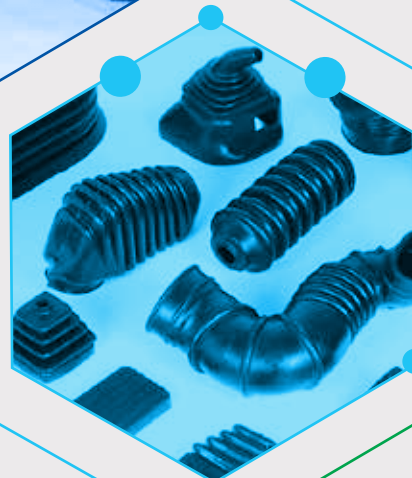
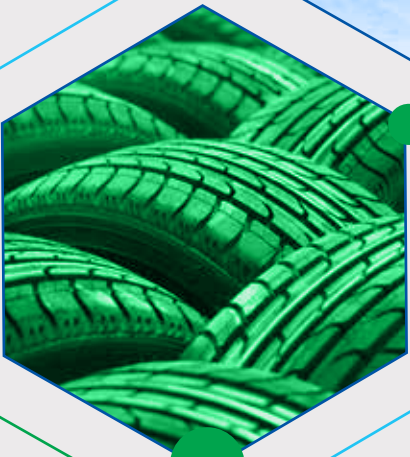
Anand V Kumashi
GM – Finance & Company Secretary

apcotex industries limited

REGD. OFFICE : 49-53, 3rd Floor, Mahavir Centre, Plot No. 77, Sector-17, Vashi, Navi Mumbai-400703, Maharashtra, India Tel:+91-22-27770800
CORPORATE OFFICE : NKM International House, 178 Backbay Recl., B. M. Chinai Marg, Mumbai-400020, Maharashtra, India. Tel:+91-22-22838302/04
TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Taloja-410208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052
CIN NO. L99999MH1986PLC039199 Website:www.apcotex.com



apcotex industries limited
ANNUAL REPORT
2019-20



CORPORATE INFORMATION

BOARD OF DIRECTORS

Atul C. Choksey	Chairman
Dr. S. Sivaram	Director
Shailesh S. Vaidya	Director
Kamlesh S. Vikamsey	Director
Amit C. Choksey	Director
Priyamvada Bhumkar	Director
Udayan D. Choksi	Director
Abhiraj A. Choksey	Managing Director
Yashodhan B. Gadgil (upto 31 st March 2020)	Executive Director
Ravishankar Sharma (w.e.f. 1 st May 2020)	Executive Director

COMPANY SECRETARY

Anand V. Kumashi

AUDITOR

S G D G & Associates LLP

BANKERS

State Bank of India
Citi Bank
HDFC Bank

REGISTERED OFFICE

49/53 Mahaveer Centre, Plot no. 77, Sector 17,
Vashi, Navi Mumbai – 400 703.
CIN: L99999MH1986PLC039199
Telephone: (022) 27770800
E-mail – redressal@apcotex.com
Website: www.apcotex.com

PLANT 1

Plot No.3/1, M I D C Industrial Area, P.O. Taloja,
Dist. Raigad 410 208, Maharashtra.
Telephone: (022) 2740 3500 Fax: (022) 2741 2052

PLANT 2

Village - Dungri, Tal- Valia, Ankleshwar- 393135.
Dist- Bharuch, Gujarat.

CORPORATE OFFICE

N. K. Mehta International House, 178,
Backbay Reclamation, Babubhai M. Chinai Marg,
Mumbai- 400 020
Telephone: (022) 2283 8302 / 04
Fax: (022) 2283 8291

AUDIT COMMITTEE

Kamlesh S. Vikamsey	Chairman
Priyamvada Bhumkar	Member
Udayan D. Choksi	Member

NOMINATION & REMUNERATION COMMITTEE

Dr. S. Sivaram	Chairman
Atul C. Choksey	Member
Kamlesh S. Vikamsey	Member
Priyamvada Bhumkar	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shailesh S. Vaidya	Chairman
Udayan D. Choksi	Member
Abhiraj A. Choksey	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Atul C. Choksey	Chairman
Shailesh S. Vaidya	Member
Abhiraj A. Choksey	Member

REGISTRARS AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD.
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai- 400 083
Tel. No.- 022 49186000, 49186270
Fax – 022 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in



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COMPANY AT A GLANCE

Apcotex is one of the leading producers of Synthetic Rubber (NBR & HSR) and Synthetic Latex (Nitrile, VP latex, XSB & Acrylic latex) in India. The company has one of the broadest range of Emulsion Polymers available in the market today. The various grades of Synthetic Rubber find application in products such as Automotive Components, Hoses, Gaskets, Rice De-husking Rollers, Printing and Industrial Rollers, Friction Materials, Belting and Footwear. Apcotex's range of Latexes are used for Paper / Paperboard Coating, Carpet Backing, Tyre Cord Dipping, Construction, Gloves-examination, surgical and industrial use etc.

The company believes in implementing best practices across all departments and adhering to high quality, safety and environmental standards. Its state-of-the-art manufacturing plants are strategically located on the western coast of India. Over the past several years, Apcotex has developed a strong Research & Development base, which has enabled to develop, manufacture and export products and compete effectively against global players. Through its technical service team and well-equipped application laboratory, the company believes in providing value added services to enable customers to constantly improve the quality of their final product. Apcotex has significant global presence and for last few years has done business in all continents and several countries.

Apcotex has been awarded the prestigious "TPM Excellence Award, Category A" and "TPM Consistency Award" by the Japan Institute of Plant Maintenance (JIPM), Japan.

Apcotex, an ISO 9001:2015 certified company, is also certified for ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems). Apcotex is a Responsible Care certified company. Apcotex Industries Ltd. is headed by Mr. Atul C. Choksey, former Managing Director of Asian Paints Limited.

EVOLUTION

1980

Started as a division of Asian Paints. Pioneered the manufacturing of Vinyl Pyridine latex and Carboxylated Styrene-Butadiene latex in India.

1991

Constituted as a Public Limited Company listed on stock exchanges as Apcotex Lattices Limited.

1998

Started High Styrene Rubber production with 10,000 MT p.a. (dry) capacity.

2005

Name changed to Apcotex Industries Limited.

2009

Entered Acrylic Emulsion business to exploit synergies with other products and markets.

2013

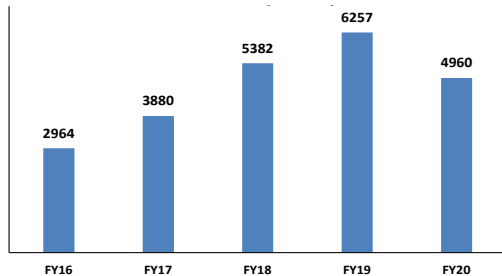
Installed capacity of saleable latex increased at Taloja from 40,000 MT p.a. to 55,000 MT p.a. (wet).

2016

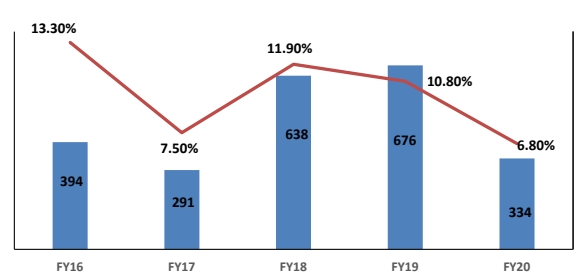
Completed acquisition of Omnova Solutions Indian business of Nitrile Rubber of 16,000 MT p.a. (dry) and High Styrene Rubber to create synergy.

FINANCIAL HIGHLIGHTS

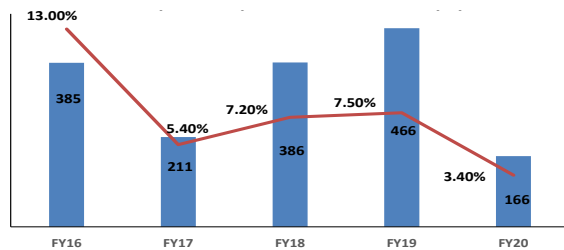
REVENUE (IN MN)



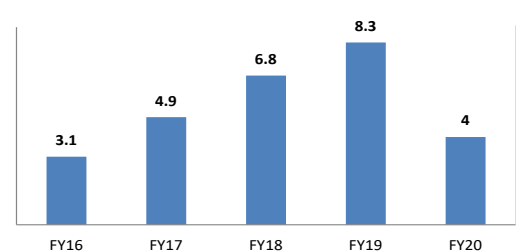
OPERATING EBITDA (INR MN) AND EBITDA MARGIN (%)



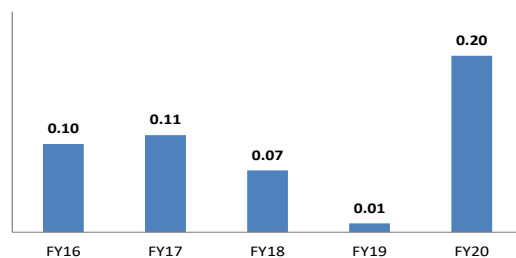
PAT (INR MN) AND PAT MARGIN (%)



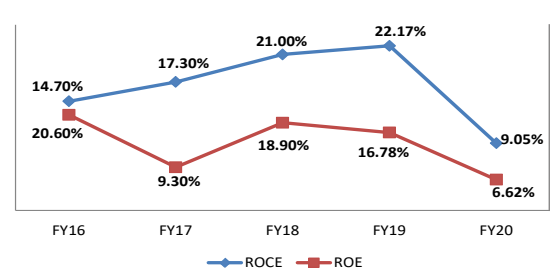
ASSET TURNOVER RATIO



DEBT TO EQUITY RATIO



RETURN RATIOS



BOARD OF DIRECTORS

MR. ATUL C. CHOKSEY

Chairman

He is a Chemical Engineer from Illinois Institute of Technology, Chicago, USA and has more than four decades of experience in managing the affairs of the Company. He is on the board of reputed companies like Ceat.

DR. S. SIVARAM

Independent Director

He is a M.Sc. from Indian Institute of Technology and has done his PHD from Purdue University, W. Lafayette, USA and Research.

He was the Head of National Chemical Laboratory from 2002-2010.

MR. SHAILESH S. VAIDYA

Independent Director

He is a law graduate from Government Law College and became Solicitor in the year 1983 and has been practicing as Advocate and Solicitor.

He is one of the senior partner at Kanga & Co.

MR. KAMLESH S. VIKAMSEY

Independent Director

He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005.

MS. PRIYAMVADA BHUMKAR

Independent Director

She is a graduate in Chemistry and MBA in Finance from Mumbai University having 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd., the well-known Indian colorant manufacturing company.

MR. AMIT C. CHOKSEY

Director

He is a Bachelor in Commerce and has over 30 years of experience in managing industries manufacturing various types of construction chemicals, specialty water proofing compounds and inorganic pigments.

He is the Chairman of Mazda Colours Ltd.

MR. UDAYAN D. CHOKSI

Independent Director

He is a graduate in Economics from Warwick University and Chartered Accountant and LLB from Mumbai University. He is the Managing Partner of VoxLaw and leads the indirect taxation of the firm. He has an experience of nearly 20 years at big 4 accounting firms and prominent law firms.

MR. ABHIRAJ A. CHOKSEY

Managing Director

He is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A.

MR. YASHODHAN B. GADGIL

(upto 31st March 2020)

Executive Director

He is a Bachelor of Chemical Engineering and has worked with Asian Paints and Apcotex Industries since 1981. He was the Executive Director- Operations and in-charge of production, engineering, projects, supply Chain (till 2015), stores, IR and general Factory administration.

MR. RAVISHANKAR SHARMA

(w.e.f. 1st May 2020)

Executive Director

He is a Chemical Engineer from Laxminarayan Institute of Technology, Nagpur, passed out in 1988 and PGDBM from Goa Institute of Management, Goa (Executive MBA) in 2009 and has more than 30 years of rich experience in the field of Production, Projects, Specialty Chemicals, operations and Manufacturing.





OUR GLOBAL PRESENCE

SOME OF OUR MARQUEE CLIENTS





MANUFACTURING FACILITIES

TALOJA PLANT, MAHARASHTRA

(55,000 MT) Synthetic Latex

(7,000 MT) High Styrene Rubber



VALIA PLANT, GUJARAT

(20,000MT) Nitrile Rubber and Allied Products



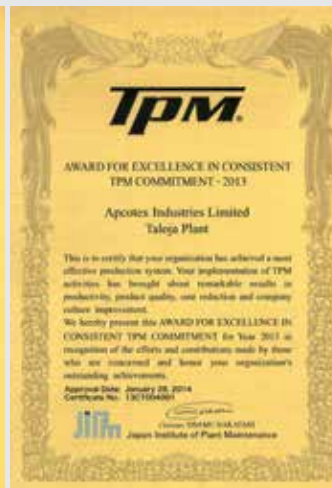
R&D AND QUALITY CONTROL

The company has been **continuously upgrading** their technology through in house research & development efforts to meet the changing needs of customers

Currently around 30 employees are dedicated for R&D and technical support.



QUALITY CERTIFICATIONS



PRODUCT MIX

SYNTHETIC LATEX

Synthetic Latex is manufactured from downstream petrochemicals whereas natural latex comes from rubber plantations. There are usually several types of synthetic latex which are manufactured. Our latexes which include Styrene Butadiene latex, VP latex, Styrene Acrylic latex and Nitrile latex cater to various industries like Paper/ Paperboard, Carpet, Tyre and Construction. The performance of each synthetic latex differ from industry to industry based on their characteristic, application, and polymer type. Some details are as follows:



PAPER

- Provides excellent wet and dry binding strength; provides high gloss and strength to coated paper



CARPET

- Used in backing of various types of carpets to provide excellent binding strength; depending on application requirements our grades provide a range of soft to hard handles



CONSTRUCTION

- Provides excellent water impermeability; enhances bonding between new and old concrete



TYRE CORD

- High performance latex for dipping of tyre cords used in bias tyres



GLOVES

- For manufacturing of various range of gloves – examination, surgical and industrial



SPECIALITY

- Used in a range of specialty applications such as gaskets, non-woven fabrics, abrasive paper, textile finishing, cork sheets, etc.

SYNTHETIC RUBBER

Synthetic Rubber is basically an artificial elastometer which are mainly polymers synthesized from petroleum by-products. Your company produces various kinds of Synthetic rubber from cold NBR to hot NBR with different distinctions which are as below



NITRILE RUBBER (NBR)

- This is an unusual type of synthetic rubber which is resistant to oil, fuels and various chemicals. It is used in the automotive industry as well as several other industrial applications to make fuel and oil handling hoses, seals and various rubber products where ordinary rubbers cannot be used



NBR POLYBLEND

- Cost effective medium ACN blend used for general purpose automotive and industrial moulded and extruded products, footwear products etc. for general purpose automotive and industrial goods as well as Fire Hoses



HIGH STYRENE RUBBER

- Provides various degrees of hardness and excellent processibility for Hawaii slippers and Micro-cellular sheets



NBR POWDER

- Used in joining sheets, PVC modification, brake pads, friction materials, adhesives and other rubber applications

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC OVERVIEW

The Covid-19 pandemic is inflicting high human and economic costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, with the help of policy support by government. The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically. Internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including assisting financially constrained countries facing twin health and funding shocks, and for channeling aid to countries with weak health care systems.

INDIAN ECONOMIC OVERVIEW

The International Monetary Fund (IMF) slashed its FY 2020-21 growth projection for India to 1.9% from 5.8% projected in January 2020, holding that the 'Great Lockdown' to combat the Covid-19 outbreak will throw the world economy into the worst recession since the Great Depression in 1930s.

The coronavirus pandemic came at a time when India's economy was already slowing, due to persistent financial sector weaknesses. The severe disruption of economic activities caused by Covid-19, both through demand and supply shocks, has overtaken the incipient recovery in the Indian economy leading to massive job losses. IMF even expects FY 2019-20 growth at 4.2% as against 5% estimated by India's statistics department.

SYNTHETIC LATEX AND RUBBER INDUSTRY

The global synthetic latex polymers market is highly fragmented with the presence of many regional and a few global players. The market has witnessed some consolidation as well as a move towards customization of products to cater to the changing consumer requirements. Globally, the carpet, gloves and construction industries drive the growth for synthetic latex. In India, the major driver for development of the synthetic latex polymers industry is the high growth of end-use industries like paper & paper board, paints & coatings, adhesives, water proofing/construction, etc. Another impetus comes from the fact that there are no major substitutes to replace synthetic latex polymers in their functional aspects across various application segments.

The nitrile latex for hand gloves industry is only manufactured by the Company in the Country. The market size for nitrile latex is about 1400 KT p.a. and valued at an estimated USD 1.32 billion during 2019. It is projected to grow at about 8% CAGR by 2026. This market had grown by 5.5% CAGR during the period from 2010 till 2018. The Covid-19 pandemic has further boosted the demand for nitrile gloves and thus nitrile latex.

Asia Pacific leads production of global synthetic rubber industry with the automobile sector leading the growth. With the rise in population, large manufacturing base of the automobile industry and the availability of competitive labour, India offers great opportunities for synthetic rubber product manufacturers. With increasing R&D investments backed by strong infrastructure, the country is poised to become a leader in rubber products manufacturing in the years ahead.

In India, around 80% of Nitrile Butadiene Rubber (NBR) is imported, which creates good potential for Indian manufacturers of Nitrile Rubber. Notwithstanding the recent slowdown due to Covid-19 and other reasons, the long-term growth of this segment can be attributed to the growing demand for NBR across the automotive and industrial applications in the medium to long term..

CURRENT SCENARIO

Your Company is one of the leading producers of emulsion polymer products namely, Synthetic Latexes (Vinyl Pyridine Latex, Carboxylated Styrene Butadiene Latex, Styrene Acrylic Latex, Nitrile Latex, Carboxylated Nitrile Latex etc.) and Synthetic Rubber (High Styrene Rubber, Nitrile Butadiene Rubber, NBR Powder, and Nitrile Polyblends) in India. The Company has one of the broadest ranges of emulsion polymer products in India and caters to a wide range of industries. Your Company's Synthetic Latex products are used for tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/ water proofing, non-wovens, textile finishing, paints, gloves, etc. Various grades of Synthetic Rubber find application in products such as footwear, automotive components, rice rolls, moulded items, v-belts, conveyor belts, hoses, etc.

The Company's major raw materials are petrochemical products and its business could be vulnerable to high volatility in the prices of crude oil as well as its downstream products.

Over the years, a number of steps have been taken by the management to improve the operational efficiency of the Company in different functions like marketing, human resource development, production process, utilities etc.

OPERATIONS DURING THE FINANCIAL YEAR 2019-20.

The Company has achieved a total revenue of Rs. 501.92 Crores during the financial year 2019-20, compared to Rs. 633.36 Crores in the preceding financial year. The company exported its products worth Rs.61.30 Crores during the financial year. While volumes were flat compared to the previous financial year, the drop in revenues was due to a combination of product mix and reduced net realization due to decrease in oil/petrochemical prices.

Profit before tax was down by 60% to Rs. 24.60 Crores as compared to Rs. 61.67 Crores during the previous financial year, on account of intense competition from overseas suppliers, who dumped products like NBR in the country and to some extent due to slowdown in a few industries such as construction and auto. During FY 2019-20, Operating EBITDA came down by 49% to Rs. 35.83 Crores from Rs. 69.77 Crores in the previous financial year.

Profit after tax stood at Rs.16.63 Crores, which had come down by 64% from Rs. 46.60 Crores during the previous financial year.

During the financial year 2019-20, your company faced intense competition from overseas suppliers due to dumping of products like NBR in the country at extremely low price, which forced the Company to reduce pricing and therefore impacted margins. The Company has approached the relevant authorities for imposition of a revised anti dumping duty on NBR.

The Balance Sheet of the Company is also quite healthy with a debt of Rs. 30 crores, reasonable working capital cycle and cash/liquid investments valued at about Rs. 62 Crores based on Net Asset Value as on 31st March 2020.

Your Company's plant at Taloja is recipient of Total Productive Maintenance (TPM) Excellence in Consistent TPM Commitment Award - Category A by the Japan Institute of Plant Maintenance (JIPM). TPM has helped the company significantly in improving efficiencies in the plant and in operations and rationalizing costs. We are in the process of implementing TPM in the Valia plant as well. Both plants have successfully completed certification/re-certification of the integrated ISO 9001, ISO 14001 and ISO 45001:2018. In FY 2018-19, your company was recertified by the Indian Chemical Council (ICC) to use the Responsible Care logo.

Your Directors consider Company's performance as satisfactory.

OUTLOOK

The Company expects financial year 2020-21 to be a challenging year in view of Covid-19 which has caused a significant slowdown in demand coupled with an intense dumping of one of our products (i.e. NBR) in the country at very low prices, until an effective antidumping duty is imposed. Sales from the new product range of Carboxylated Nitrile Latex for the hand gloves industry has started in FY 2019-20, and the Company aims to make it one of the future growth drivers. The Company intends to install new capacity and is also working on the feasibility to expand the capacity of its NBR business. The Company will continue to look for opportunities in new adjacent products as well as opportunities for inorganic growth.

During the financial year the Company had commissioned the Co-gen Power Plant at the Valia unit, which will reduce cost of production in Valia.

There is a continuous thrust from the management to develop a strong R&D and technical service team to develop new products, explore new applications and understand better the changing customer needs.

With the Company's continuous endeavour to introduce new products and to improve efficiencies and performance, your Directors view the prospects for the financial year 2020-21 with cautious optimism.

RISKS AND CONCERNS

The Company has laid down a well-defined Risk Management Framework covering the risk, risk exposure, potential impact and risk mitigation process. Risks are identified by all process owners which is discussed with the HOD and then taken to the Plant Risk Committee for their consideration. After evaluation of the Risk by the Plant Risk Committee, same is placed before the Apex Risk Committee. Major risks identified by the plants, functions and senior management are systematically addressed through a quantified risk assessment process and mitigating actions are discussed and reviewed periodically. These are also discussed at the meetings of the Risk Management Apex Committee, Audit Committee and the Board of Directors of the Company.

The Company's Apex Risk Management Committee and Plant Risk Committees, periodically review the risks in the organization, identify new risk areas, develop action plans and monitor and report the compliance and effectiveness of the policy and procedure to the Audit Committee and Board.

The Audit Committee and Board review the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

The Company's Board of Directors perceives the following risks as current high risks areas:

1. PROCUREMENT RISKS:

Major risks arise from a few key raw materials like Styrene, Acrylonitrile and Butadiene, amongst others, that are used in several of our products. There is an availability risk associated with all these products. Styrene and Acrylonitrile are not manufactured in the country and have to be imported. Butadiene is currently available from only two manufacturers in the country and the company is exploring import arrangements. If there is an issue with the supply of any of these materials, production of several products would be affected. To mitigate this risk we have relationships with multiple suppliers and keep an adequate inventory and pipeline of these raw materials. We also mitigate this risk by developing alternative suppliers on a continuous basis.

2. ENVIRONMENT, HEALTH AND SAFETY (EHS):

The Company is committed to protecting the environment, and ensuring the health and safety of its employees, customers, neighbors and public. Some of our major raw materials are hazardous and flammable and some safety risks are inherent in the manufacturing processes. The Company has ensured that required process controls, safety equipment's and infrastructure are in place as per statutes and global safety standards. Your Company is also certified for ISO 14001, OHSAS 18001 and Responsible Care, which address Environmental, Health and Safety systems and processes. In addition, all the safety measures like safety committee's constant supervision, identification and correction of unsafe acts, periodical drills, risks awareness programs, appropriate treatment of effluents generated, are regularly taken with constant attention from senior levels of management.

The Company is working towards Zero Liquid Discharge (ZLD) for both the plants.

3. DEPENDENCE ON SINGLE MANUFACTURING FACILITY:

While your company has two manufacturing facilities, some of our products can be manufactured only at a single location. Due to incidents such as strikes, political instability, pandemics in the local area, terrorist attacks, natural calamities, etc. the operations of the Company may be materially affected. The Company has taken appropriate available insurance covers for some of these eventualities except pandemics.

4. HSR OBSOLESCENCE:

The HSR market has shrunk over a period of time and more or less stagnant since last couple of years which may result into under utilization of the production capacity. Company is looking into export of more HSR products in the overseas market exploring alternative applications as well as exploring the alternate use of the production facility for other products.

5. MONOMER TRANSPORTATION:

Monomers, particularly Butadiene, which is highly flammable and hazardous in nature is transported in insulated tankers, which are robust and well protected for inland travel. In case of an accident, while in transit, it may lead to fire or explosion resulting into damage of property and environment in the surrounding area. To overcome this risk, the tankers are inspected / checked by competent authorities on regular basis and cleared for transportation of the dedicated material only. Companies who have good knowledge about the hazardous nature of material and how to handle the same in case of any emergencies handle these tankers. Your company is also enrolled for Nicer Globe initiatives under Responsible Care program during the financial year 2019-20, which will further help in managing this risk.

6. INVESTMENT RISK:

Your Company had investment of about Rs. 62 crores, based on Net Assets Value (NAV) as on 31st March 2020. Out of this investment, about 71% is invested in the Debt Funds and rest in Direct Equity or Equity funds. The volatility in the market may adversely affect the Company due to Market losses. To overcome this risk, the Managing Director along with GM – Finance review the investments on regular basis and verify the returns etc and present the same before the Board for their consideration every quarter. The portfolio is managed with the advice of professional financial managers.

7. BUSINESS CONCENTRATION RISK:

87% of the Company's business depends on the domestic industry and highly dependent on the domestic market. To overcome this risk, your company had put in place a dedicated team for exports of Company's products to various countries in the world. During the last financial year, a specialty latex viz. XNBR latex for gloves was introduced mainly for the export market, which will help to reduce the dependency on the domestic market significantly.

8. OVERSEAS COMPETITION – DUMPING OF PRODUCTS:

During the year your Company faced intense competition from overseas suppliers for NBR, who supplied material at a very low price in the country, which forced the Company to reduce the pricing and therefore margins. To mitigate this risk, Company has taken various initiatives like filing of the Anti Dumping petition against these countries for dumping, various initiatives for reducing costs, improving efficiencies and introducing new products.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal checks and controls covering operations of the Company are in place and are constantly being improved upon. Adequate system exists to safeguard company's assets through insurance on reinstatement basis and maintenance of proper records. The company has well defined procedures to execute financial transactions.

Internal audit is being conducted by an independent firm of Chartered Accountants. The internal auditor monitors and evaluates the efficiency and adequacy of internal control systems in the organisation, its compliance with operating systems, accounting procedures and policies of the Company. Based on the observations of the internal auditor, the process owners undertake the corrective actions and improvements in their respective areas. Significant audit observations and corrective actions thereupon are presented to the Audit Committee.

The Partners of both, Statutory and Internal Auditor attend all the Audit Committee meetings.

DEVELOPMENT OF HUMAN RESOURCE / INDUSTRIAL RELATIONS:

Your Company believes that its employees are its core strength and accordingly development of people and providing a best-in-class work environment is a key priority for the Organization to drive business objectives and goals. Robust HR policies are in place which enables building a stronger performance culture and at the same time developing current and future leaders.

SIGNIFICANT CHANGE IN KEY FINANCIAL RATIOS

There is significant change in the following key financial ratios during the financial year, as compared to that of previous financial years, on account of dumping of NBR by overseas suppliers at a very low price and to some extent the slowdown in construction and auto industries.

- a) Inventory turnover ratio, b) Interest coverage ratio, c) Operating Margin ratio, d) Net Profit Margin ratio and e) Return on Net Worth ratio

During the year the Company had borrowed sum of Rs.30 crore as a Term Loan to part finance the Captive Power Co-Generation Plant and other efficiency improvement projects at the Valia Plant which had impacted the Debt Equity ratio.

CHANGE IN RETURN ON NET WORTH

The return on net-worth for the financial year 2019-20 has come down to 6.62% as compared to preceding financial year return of 16.78% on account of reduction in the net profit of the Company.

CAUTIONARY STATEMENT.

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand, movements in company's principal markets, changes in Government regulations, tax regimes, economic developments within and outside India and other incidental factors.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting to you the Thirty fourth (34th) Annual Report of the Company and the Audited Financial Statement for the year ended 31st March 2020.

A. COMPANY PERFORMANCE FINANCIAL HIGHLIGHTS

Rs. in lacs

Particulars	31st March 2020	31st March 2019	Growth %
Income from operations			
(a) Revenue from operations	49,598.14	62,566.65	
(b) Other income	593.38	769.00	
Total income from operations (net)	50,191.52	63,335.65	(20.75)
Gross Profit Before Depreciation, Finance cost & Tax	3,931.24	7,526.57	
(a) Finance costs	131.12	180.30	
(b) Depreciation & amortization expense	1,339.74	1,179.26	
Profit before tax	2,460.38	6,167.01	(60.10)
Tax expenses	797.66	1,506.53	
Profit after Tax	1,662.72	4,660.48	(64.32)
Other Comprehensive Income for the year	(560.44)	(23.92)	
Total Comprehensive Income for the year	1,102.28	4,636.56	
Earnings per Share (EPS)			
(a) Basic	3.21	8.99	(64.29)
(b) Diluted	3.21	8.99	(64.29)

COVID-19 IMPACT

During the month of March 2020, the Coronavirus Disease (Covid-19) pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic and social activities. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and to take proper care of the safety of the plants especially hazardous raw materials stored in the premises and in transit. The plant operations were under complete lockdown from 25th March 2020 till 19th April 2020, except for a few team members who were monitoring the plants to ensure safety.

Before starting the plant operations on 20th April 2020, the entire plant was sanitized, disinfected and all necessary arrangements were made for maintaining social distancing while commuting to work and at the work place. The Company was granted permission by the respective District Magistrates, to partially run the plants, located at Taloja, Maharashtra and Valia, Gujarat, for

manufacturing of essential commodities. The Company has adopted work from home policy during the entire duration of the lockdown for its employees at its registered office, corporate office and other offices.

Although there are significant uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY 2020, with its strong balance sheet position, the Company is confident of navigating the challenges ahead.

SUB-DIVISION OF EQUITY SHARES

The Members of the Company at the 33rd Annual General Meeting held on 4th June 2019 approved the sub-division of equity shares from face value of Rs. 5 each fully paid-up into Rs. 2 each fully paid-up. On 5th July 2019 (Record Date), the company has sub-divided the equity shares from face value of Rs. 5 each fully paid-up into Rs. 2 each fully paid-up.

INTERIM DIVIDEND

Pursuant to the approval of the Board of Directors on 12th February 2020, the Company paid an interim dividend @ of **Rs.3.00/-** (Rupees Three) (previous year @ Rs.7.50 (Rupees Seven and Fifty Paise) per equity share of the face value of Rs.2.00/- (Rupees Two) (previous year Rs.5/-) each to the Shareholders who were on the register of members as on 25th February 2020, being the record date fixed for this purpose.

Interim Dividend absorbed a sum of Rs.1875.06 lacs (including Dividend Distribution Tax of Rs.319.71 lacs) out of the net profits after tax for the financial year 2019-20

The Board had confirmed the payment of the Interim dividend @ Rs.3/- per share of face value of Rs.2/- each, as final dividend for the financial year 2019-20.

TRANSFER TO RESERVE

There is no amount proposed to be transferred to Reserves out of profit of the financial year 2019-20.

B. RENEWABLE ENERGY

The Wind Turbine Generator installed at Sadawaghapur, Taluka – Patan, District Satara, Maharashtra, has generated gross revenue of about Rs. 138 lacs during the financial year (previous year Rs. 133 lacs), and same is netted-off against the power cost.

C. DISCLOSURES UNDER COMPANIES ACT, 2013

I. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information sought under the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the **Annexure I**, forming part of this report.

II. ANNUAL RETURN

The extract of Annual Return (MGT-9) has been placed on the website of the Company and can be accessed at <https://www.apcotex.com/financial.asp?fn=annualreturn>

III. CHANGES IN THE SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March 2020 was Rs. 10.37 crores, comprising of 5,18,44,960 equity shares of face value of Rs.2/- each.

During the financial year the Company had sub divided the equity shares of face value of Rs.5/- each fully paid into equity shares of face value of Rs.2/- each fully paid on 5th July 2019, being the record date for the purpose.

IV. FINANCIAL LIQUIDITY

Investments as at 31st March 2020 were about Rs. 62 Crores (previous year Rs. 74 Crores)

The Company's working capital management is robust and involves a well-organized process which facilitates continuous monitoring and control over receivables, inventories and other parameters.

V. NUMBER OF BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the financial year under review, the Board of Directors met 4 (four) times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

VI. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of Mr. Kamlesh Vikamsey who is the Chairman of the Committee, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi, are the Non-Executive Independent Directors. More details on the committee are given in the Corporate Governance Report.

All the recommendations of the audit committee are accepted by the Board.

VII. BOARD INDEPENDENCE

The definition of Independence of Directors is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013;

1. Dr. S. Sivaram
2. Mr. Shailesh Vaidya
3. Mr. Kamlesh Vikamsey
4. Mrs. Priyamvada Bhumkar
5. Mr. Udayan Choksi

In compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, the Independent Directors meeting scheduled on 12th February 2020 was adjourned to 21st May 2020 by the Independent Directors present during the meeting and the said meeting was held on 21st May 2020 and discussed issues as prescribed under the schedule IV of the Companies Act, 2013 and also discussed various other issues.

VIII. ANNUAL EVALUATION BY THE BOARD

In compliance with the Companies Act, 2013 and Regulation 19 read with Schedule II of SEBI (LODR), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Nomination & Remuneration Committee members, covering various aspects of the Board's functioning such as adequacy of composition of Board and Committees, Board communication, timeliness and unbiased information of right length and quality of information, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance and participation in the discussion and deliberation at the meeting, understanding role and responsibilities as board member, demonstration of knowledge, skill and experience that make him/her a valuable resource for the board.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Executive Directors was carried out by the Independent Directors, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

IX. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company for Directors, Key Managerial Personnel (KMP) and Senior Management Personnel is hosted on the website of the company at the following web link: <https://www.apcotex.com/policy/Nomination%20and%20Remuneration%20Policy%202019.pdf>

Disclosure pertaining to remuneration and other details as required under section 197 (12) of the act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure II** to this Report.

X. COMMENTS ON AUDITORS REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. SGDG & Associates LLP, Chartered Accountant, Statutory Auditor, in their report and by M/s. D S Momaya & Co., Company Secretaries, in their Secretarial Audit report.

The Statutory Auditor has not reported any incident of fraud to the Audit Committee of the Company during the year under review.

Key Audit Matters

Inventory

Due to COVID – 19 restrictions and lock down, Company was unable to carry out physical verification of inventory of the Company as on 31st March 2020. The statutory auditor have tested the controls of the management over inventory existence during the year and they have performed alternate audit procedures to audit the existence of inventory

Capitalisation of Property Plant and Equipment (PPE)

The statutory auditor have tested the design, implementation and operating effectiveness of controls in respect of capital work in progress and capitalisation of PPE and have physically verified the existence of PPE.

XI. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or KMP etc., which may have potential conflict with the interest of the company at large.

All new related party transactions are first approved by the Audit Committee and thereafter placed before the Board for their consideration and approval. A statement of all related party transactions is presented before the Audit Committee meeting on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of Contracts or arrangements with related parties referred to in Section 188(1), read with Rule 15 of The Companies (Meetings of Board and Its Powers) Rules 2014 is appended to this report in prescribed Form AOC 2 as **Annexure III**.

The Related Party Transaction Policy as approved by the Board is uploaded on the company's website at the following web link http://www.apcotex.com/policy/Related_Party_Transaction_Policy.pdf

XII. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

XIII. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns in compliance with provision of section 177 (10) of Companies Act 2013 and Regulation 22 of SEBI (LODR) 2015.

The Audit Committee of the board oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of Company's Code of Conduct and/or Ethics Policy.

The details of the policy have been disclosed on the Company's website at https://apcotex.com/policy/Whistle_Blower_Policy.pdf

XIV. CORPORATE GOVERNANCE

The Company has always strived to adopt appropriate standards for good Corporate Governance.

Detailed report on the Corporate Governance and Management Discussion Analysis, form part of this report. A certificate from M/s. D S Momaya & Co., Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015 is annexed to the said Report.

D. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of the Companies Act, 2013. On the recommendation of the CSR committee, the Board has approved the CSR policy of the Company which is published on the Company's website.

All CSR activities of the Company are carried through Non-Government Organizations, who have track record of minimum of three (3) years in carrying out the activities, and other criteria's as prescribed under Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, as amended from time to time.

The Company has undertaken projects in the areas of Healthcare and Education, around the area surrounding the factory/corporate office, brief details of which are as under:

The Company had spent Rs. 73.76 lacs during the financial year 2019-20, the details of spent are as under;

Healthcare	36.30 lacs
Education	35.00 lacs
Other	2.46 lacs

HEALTHCARE:

To improve the health condition of under-privileged citizens, the Company has carried out the various CSR activities directly and some through NGO's:

The company has worked with St. Jude Child Care Centre and has sponsored all the operational expenses of one centre located at Cotton Green, Mumbai.

St. Jude provides food, accommodation and medicines to cancer affected children upto 12 years of age and their parents from poor families, who travel to Mumbai for treatment of their children at well known hospitals like Tata Memorial Hospital. It currently runs 22 Centres in Mumbai, Delhi, Kolkata, Hyderabad and Jaipur.



The Company is working with EdelGive Foundation, Mumbai, who assisted the company in the selection of NGOs and to recommend, implement and oversee the CSR activities during next 3 years (2019-2022). Edelgive recommended Agastya International Foundation for carrying out CSR activities around Taloja Plant, Dist. Raigad Maharashtra and Utthan for carrying out CSR activities around Valia Plant, Dist. Bharuch, Gujarat.

During the FY 2019-20, Utthan has conducted the following activities for community development work around Valia Plant, Gujarat:

- Field visit to Naldhari and Dungri villages on 20 - 21 December 2019.
- On community needs assessment in February 2020 in Naldhari and Dungri villages covering 466 households to identify the priorities.
- Open defecation, improper wastewater management, quality and volume of drinking water supplies etc have emerged from the assessment





During the financial year 2019-20, the Company has constructed a Borewell in Dungri Village-Valia, Gujarat, to overcome water problems for maintaining sanitation and hygiene in the Village.



EDUCATION:

Company has decided to work with Agastya for next three years for conducting programmes around the Taloja plant, Dist Raigad, Maharashtra:

- **Innovation Hub** - 103 schools visits, 6190 children exposures, around 95 teachers' exposures and 396 community members exposures
- **Science Centre** (exhibits and experimentation) – 142 schools visits, 9771 children exposures and around 168 teachers' exposures
- **Young instructor leader program** (leadership training for students) – 144 school visits, 4284 children exposures
- **Operation Vasantha** (engaging dropouts and families) – 8 centres, 33681 children exposures
- **Mobile Science Lab** – 173 school visits, 21,344 children exposures, and 379 teachers' exposure





The Company is also working with Bombay International School Association (BISA), Mumbai.

The Company has provided financial aid towards education of children from economically weaker sections of the Society under the Inclusion program which helps to provide world-class education to underprivileged students

The Company is also working with Halani Educational and Welfare Charitable Trust which is based at Anand, Gujarat. The objective of Halani is to provide education to needy children from poor family and welfare of schedule tribes and other backward communities

The Company is supporting Halani Trust for providing free education to children from economically weaker sections of the Society, schedule tribes and other back communities.

COVID – 19 RELIEFS

Through Utthan Company has distributed 570 food grains kits and other essential items to poor family at village Shiludi, Ghoda, Joli and Dungri, Gujarat



Due to Covid-19 pandemic, the CSR planned activities around the plant area could not be completed during the financial year 2019-20 resulting into a small shortfall in CSR spent to the extent of Rs. 11.59 lacs.

The details as required under Section 135 of the Companies Act, 2013 are provided in CSR Report which is annexed herewith as **Annexure IV**.

E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company conducts the Familiarization program when new Director(s) is/are appointed during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarization Program has been disclosed on the website of the Company at <https://www.apcotex.com/policy/Familiarisation%20Programme%20for%20Independent%20Directors%202019-20.pdf>

F. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Insider trading policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by designated person/ employees and maintain the highest ethical standards of dealing in Company securities

G. INTERNAL FINANCIAL CONTROLS

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures. These are reviewed periodically and made part of work instructions or process in the company.

The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of account. Explanations are sought for any variance noticed from the respective functional heads.

H. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- I. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. That they 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;

- III. That they have taken proper and sufficient care for the 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 fraud and other irregularities;
- IV. That they have prepared the annual accounts on a going concern basis;
- V. That they, 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
- VI. That they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- VII. That the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

I. DISCLOSURE IN TERMS OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

All women who are associated with the Company either as permanent employees or temporary employees or contractual persons including service providers at the Company sites are covered under the above policy.

The Company takes all necessary measures to ensure a harassment free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. No complaints relating to sexual harassment were received during the year.

J. FIXED DEPOSITS MATURED BUT NOT CLAIMED

Company has no Fixed Deposits at the end of the financial year. The Central Bureau of Investigation (CBI) has instructed the Company, not to repay the proceeds of four fixed deposits amounting to Rs.48,000/- and accrued interest of Rs.22,491/- thereon. These deposits matured during the first week of December 2002 and continue to remain with the Company.

K. INSURANCE

All insurable assets of the Company including inventories, buildings, plant and machinery etc., as well as the liability under legislative enactments, are insured on reinstatement basis after due valuation of assets by an external agency. The Company also holds a Loss of Profit Policy for the financial year 2020-21. Unfortunately, pandemics such as Covid-19 are still not covered under the LOP policy.

L. ECOLOGY AND SAFETY

Company ensures safe, healthy and eco-friendly environment at its plant and surrounding area. Company continually works towards identification and reduction of risks and prevention of pollution at its plant and its surroundings.

Members of the Safety Committees of the Company's Taloja Plant and Valia Plant, have been regularly reviewing the safety measures and their implementation to ensure adequate safety in material handling and processing, control of pollution caused by liquid effluents, dust and emissions from chimney etc. Samples are periodically drawn and the reports submitted to the Pollution Control Board indicating compliance with the standards.

Consent has been obtained from Maharashtra Pollution Control Board to operate the Plant at Taloja till 30th March 2021 and from Gujarat Pollution Control board to operate the Plant at Valia, Ankleshwar till 9th November 2024.

M. PERSONNEL

The information required under Section 197 of the Companies Act, 2013 and read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given in **Annexure II**.

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of employees of your company is available for inspection by the members. Please refer note no.16 of the Notice of AGM for inspection of the same.

N. DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointment:

1. **Mrs. Priyamvada Bhumkar** was appointed as an Independent Director in the Board Meeting held on 31st October 2014 and the Shareholder approved the appointment at 29th AGM of the Company held on 31st July 2015 for a term of 5 years and her term ended on 31st October 2019

She is eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. She has consented to her re-appointment and confirmed that she is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013.

Based on the performance evaluation of the Independent Director (Mrs. Priyamvada Bhumkar), the Nomination & Remuneration Committee (NRC) and the Board of Directors of the Company at their Meetings held on 12th February 2020 have recommended the re-appointment of Mrs.

Priyamvada Bhumkar as an Independent Director for a second term of five consecutive years to hold the office till the conclusion of Annual General Meeting during the year 2024. During her tenure of appointment, she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. NRC and Board, while recommending the name of Mrs. Priyamvada Bhumkar opined that she has the required expertise, experience and integrity to act as an Independent Director of the Company.

2. **Mr. Ravishankar Sharma** is appointed as an additional Director by Board of Directors at their meeting held on 21st May 2020. The Board also appointed him as an Executive Director of the Company for a term of 3 years effective from 1st May 2020 on the recommendation of Nomination and Remuneration Committee.

Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Mr. Amit Choksey (DIN 00001470) will retire by rotation at the ensuing AGM of the Company and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

Cessation:

Mr. Y B Gadgil – Executive Director, who has been in the service of the Company for more than 3 decades, his term of appointment as an Executive Director expired on 31st March 2020. He relinquished the post of Directorship held by him since February 2016, with effect from close of business hours on 31st March 2020.

Note that the background of the Director(s) proposed for appointment / re-appointment is given as annexure to the Notice, which forms part of this Annual Report.

O. AUDITORS

Statutory Auditor

M/s. SGDG & Associates LLP, Chartered Accountants (Firm Registration No W100188) were appointed as Statutory Auditor of the Company for a period of five consecutive years at the 32nd AGM of the Company held on 27th July 2018 to hold office from the conclusion of the said Meeting till the conclusion of the 37th AGM to be held in the year 2023.

The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from 7th May 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing AGM.

The Statutory Auditor have given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

Cost Auditor

M/s. V J Talati & Co., Cost Accountants have been appointed as Cost Auditor of the Company for the financial year 2020-21 under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules 2014. M/s. V J Talati & Co, have confirmed that they are free from any disqualifications as specified under the Companies Act, 2013.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, resolution seeking Members' ratification for the remuneration payable to M/s. V J Talati & Co, Cost Auditor is included at item No.8 of the Notice convening the AGM.

Secretarial Auditor

M/s. D S Momaya & Co., Company Secretaries, has been appointed to conduct the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (LODR) Regulations, 2015 as amended. The Report of the Secretarial Auditor is appended to this Report as **Annexure V**.

P. CEO & CFO CERTIFICATION

Certificate from Managing Director and Chief Financial Officer of the Company, pursuant to the Regulation 17 of SEBI (LODR) Regulations, 2015, for the financial year 2019-20 under review was placed before the Board of Directors of the Company at its meeting held on 21st May 2020.

Q. SECRETARIAL STANDARD

The Company complies with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the financial year ended 31st March 2020.

R. BUSINESS RESPONSIBILITY REPORT

Detailed Business Responsibility Report under Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015 form part of this report

S. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), as amended from time to time, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend had remained unpaid or unclaimed by the shareholders for seven consecutive years are also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed dividend of Rs.7,07,936 for the year 2011-12 during July 2019. Considering 2011-12 as base year, the Company has transferred 21535 Equity shares, on which the dividend was unclaimed for 7 consecutive years, to demat account of IEPF's authority, in compliance with IEPF Rules during the financial year 2019-20

The Company had communicated individually to 249 Shareholders taking a base year of 2012-13 during March 2020, whose shares are liable to be transferred to IEPF Authority during the financial year 2020-21.

The Company has uploaded full details of such shareholders and shares due for transfer to IEPF Authority on its website at www.apcotex.com. Shareholders are requested to refer to the web-link <https://www.apcotex.com/financial.asp?fn=SU> to verify the details of unclaimed dividends and the shares liable to be transferred to IEPF Authority.

T. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to State Bank of India, Citi Bank, HDFC Bank, various departments of State / Central Government and local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Apcotex family. To all shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

The accompanying **Annexure I to V** is an integral part of this Director Report.

FOR AND ON BEHALF OF THE BOARD

ATUL C CHOKSEY
CHAIRMAN
DIN: 00002102

Date: 21st May 2020

Place: Navi Mumbai

ANNEXURE I TO DIRECTORS' REPORT

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

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in batch cycle time and improved operations.	
(B) Technology absorption:	No new technology has been acquired during the year. Up gradation of present technology is a continuous process, implemented and adapted by the Company through innovation. Efforts are made to reduce batch cycle time and improve operational efficiency. No technology import has been made in the recent past.	
Expenditure incurred on R & D during the Financial Year are as follows:		
(Rs. in lacs)		
Particulars	2019-20	2018-19
Capital	66.69	23.69
Recurring	342.68	335.77
Total	409.37	359.46
Total R & D expenditure as a percentage of Total Revenue	0.82%	0.56%
(C) Foreign Exchange Earnings and Outgo	The Company is currently assessing export potential for its products in various markets. Details of foreign exchange earnings and outgo are given below:	

(Rs. in Lacs)

Particulars	31st March 2020	31st March 2019
Total Outflow	10,393.20	12,812.78
Total Inflow	6,016.21	7,090.36

ANNEXURE II TO DIRECTORS' REPORT

A	Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014				
Sr. No.	Disclosure Requirement	Disclosure details			
1	The percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer during the financial year 2019-20, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20.	Directors / KMP	Title	Ratio	% increase in remuneration
		Atul Choksey	Non-Executive Chairman	7.49	(26.27)
		Abhiraj Choksey	Managing Director	23.35	11.03
		Amit Choksey	Non-Executive Director	0.09	(35.71)
		Dr. S. Sivaram	Non-Executive Director	0.93	(4.26)
		Shailesh Vaidya	Non-Executive Director	0.83	(9.09)
		Kamlesh Vikamsey	Non-Executive Director	1.03	(11.50)
		Priyamvada Bhumkar	Non-Executive Director	1.09	7.14
		Udayan Choksi	Non-Executive Director	1.03	42.86
		Y B Gadgil	Executive Director	9.52	10.42
		Anand Kumashi	Company Secretary	N.A.	9.66
	Suraj Badale*	Chief Financial Officer	N.A.	N.A.	
2	Percentage increase in the median remuneration of employees in the financial year	4.31%; considering employees who were in employment for the whole of FY 2018-19 and FY 2019-20			
3	Number of permanent employees on the rolls of Company at the end of the year	436			
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	For employees other than managerial personnel who were in employment for the whole of FY 2018-19 and FY 2019-20 the average increase is 8.14%. Average increase for managerial personnel is 10.85%.			
5	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company is in Compliance with its Remuneration policy.			

* Suraj Badale appointed as a Chief Financial Officer of the Company w.e.f 1st April 2019

B Details pertaining to remuneration as required under section 197(2) of the Companies Act 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1

Name	Mr. Abhiraj Choksey
Age	42 years
Qualification	Bachelor of Science in Economics from Wharton Business School and Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A
Designation	Managing Director
Date of Commencement of Employment	1 st May 2005
Experience	19 years
Remuneration	112.88 lacs
Previous Employment	Apcosoft Pvt., Ltd
Designation	Managing Director
Shares held	13.20%

2

Name	Mr. Y B Gadgil
Age	60 years
Qualification	Bachelor of Chemical Engineering
Designation	Executive Director
Date of Commencement of Employment	1981
Experience	39 years
Remuneration	46.05 lacs
Previous Employment	Asian Paints Ltd
Designation	Production, Engineering Services and Projects, Plant Manager in-charge of Production and Projects etc
Shares held	0.01%

ANNEXURE III TO DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1	Details of contracts or arrangements or transactions not at arm's length basis:							
	A	B	C	D	E	F	G	H
Sr. no.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable								

2	Details of material contracts or arrangement or transactions at arm's length basis					
	A	B	C	D	E	F
Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
1	Apco Enterprises LLP Common Partner / Director(s).	Leasing of premises	5 years 01/10/2019 to 30/09/2024	Lease Rent @ Rs.55,000/- p.m + all direct expenses	23-10-19	7,02,000
2	Parul Choksey	Leasing of premises	on going	All direct expenses	25-05-09	N.A.
3	Choksey Chemicals Pvt Ltd Common Director(s).	Sale of Goods at prevailing market Price.	on going	Sale of Goods at prevailing market price.	31-10-13	N.A.

ANNEXURE IV TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES		
1	<p>A brief outline of the Company's CSR Policy, including overview of the Projects or Programs Proposed to be undertaken and a reference to the web-link to the CSR Policy and the Projects or Programs.</p>	<p>The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Social Responsibilities) Rules 2014 and same is placed on the Company's website and web-link of same is https://apcotex.com/policy/CSR_policy.pdf</p> <p>The company has undertaken activities in the area of Healthcare, Education and Social Projects in the Plant area through:</p> <p>a. St. Jude - Mumbai</p> <p>b. EdelGive Foundation</p> <p>c. Halani Educational and Welfare Charitable Trust</p> <p>d. Bombay International School Association</p>
2	<p>The composition of CSR Committee</p>	<p>Mr. Atul Choksey – Chairman (Chairman of the Company)</p> <p>Mr. Shailesh Vaidya – Member (Independent Director)</p> <p>Mr. Abhiraj Choksey – Member (Managing Director)</p>
3	<p>Average net profit of the Company for last three financial years</p>	Rs.4267.55 lacs.
4	<p>Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</p>	Rs.85.35 lacs
5	<p>Details of CSR spend for the financial year:</p>	
	<p>a.Total amount spent for the financial year</p>	Rs.73.76 lacs
	<p>b. Amount unspent, if any.</p>	Rs.11.59 lacs
	<p>c. Manner in which the amount spent during the financial year is detailed below:</p>	

(Rs in lacs)

Sr. No.	Projects / Activities	Sector	Locations (District & State)	Amount Outlay (Budget) Project or Programwise	Amount Spent on the Project or Program	Cumulative Expenditure upto Report period	Amount Spent : Direct or through implementing Agency.
1	Providing shelter, food and medicines to cancer affected children and their parents from poor rural families - Total amount spent since during last 5 years till 31st March 2020 is 108 lacs.	Healthcare	Mumbai, Maharashtra	24.00	24.00	24.00	St. Jude India Childcare Centre.
2	Company has disbursed Rs.20 lakhs to EdelGive for carrying out CSR activities around Taloja Plant, Dist. Raigad Maharashtra through Agastya and around Valia Plant, Dist. Bharuch, Gujarat through Utthan.	Healthcare / Education	Bharuch, Gujarat and Taloja, Maharashtra	20.00	20.00	20.00	EdelGive Foundation
3	Providing free education to children from economically weaker sections of the Society, schedule tribes and other communities.	Education	Anand, Gujarat	15.00	15.00	15.00	Halani Educational and Welfare Charitable Trust
4	Provided financial aid towards education of children from economically weaker sections of the Society under inclusion program which help BISA to provide world-class education to underprivileged students	Education	Mumbai, Maharashtra	10.00	10.00	10.00	Bombay International School Association (BISA), Mumbai
5	Constructed a Borewell in Dungri Village-Valia, Gujarat, to overcome water problems for maintaining sanitation and hygiene in the Village.	Healthcare	Dungri Village, Taluka Valia, Gujarat	3.00	2.30	2.30	Direct
6	Other	Education / Healthcare	Maharashtra and Gujarat	14.00	2.46	2.46	Direct / Deepak Foundation
	TOTAL			86.00	73.76	73.76	

Our CSR Responsibilities:

We hereby confirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives of the Company.

ANNEXURE V TO DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT (Form No. MR-3)
For the financial year ended 31st March 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Apcotex Industries Limited,
49-53, Mahavir Centre, Sector 17,
Vashi, Navi Mumbai-400703

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Apcotex Industries Limited (CIN: L99999MH1986PLC039199)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on our verification of the **Apcotex Industries Limited** books, papers, minute books, forms and returns filed and scanned copies of the documents, evidences of submission provided and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Apcotex Industries Limited** for the financial year ended on **31st March 2020**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable** and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
- (vi) Following Laws applicable specially to the Company:
 - a. The Petroleum Act, 1934 and Rules made thereunder.
 - b. The Indian Explosive Act, 1884 read with The Static and Mobile Pressure Vessels (Unfired) Rules, 1981.

- c. The Factories Act, 1948 and various rules thereunder.
 - d. The Environment (Protection) Act, 1986 read with The Manufacture, storage and Import of Hazardous Chemicals Rules, 1989.
- (vii) We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with BSE & NSE, Stock Exchange(s) & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We further report that, the company has filed the forms and returns with Ministry of Corporate Affairs / Registrar of Companies under Companies Act 2013 or other authorities under other applicable laws within the prescribed time and *in couple of instances with additional fees and time*.

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that, the compliance of COVID-19 guidelines issued by Central Government / State Government / Local authorities has duly complied by the Company.

We further report that, the compliance by the Company of applicable financial Laws such as Direct and Indirect tax Laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial auditors, tax auditors and designated professional.

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

We further report that during the audit period;

- (i) The company has passed Ordinary Resolution in the Annual General Meeting held on 4th June 2019 pursuant to provision of section 61(1)(d) of Companies Act, 2013 / applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and sub-divided each Equity Share of Nominal value of 5/- (Rupees Five) each into Equity Share of Nominal value of 2/- (Rupees Two) each on the record date i.e 5th July 2019.
- (ii) During the year, there were no other instances of
 - a. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
 - b. Merger / amalgamation / reconstruction, etc.
 - c. Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

For D. S. Momaya & Co.
Company Secretaries

CS Divya Momaya
Proprietor
FCS No. 7195/ CP No. 7885

Date: 21st May 2020
Place: Navi Mumbai

ANNEXURE- I TO SECRETARIAL AUDIT REPORT

To,
The Members
Apcotex Industries Limited

Our Secretarial Audit Report for the Financial Year ended 31st March 2020 is to be read along with this letter.

Management's Responsibility

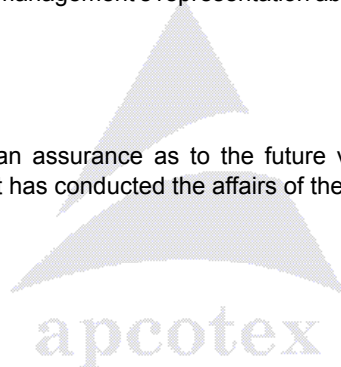
1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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



For D. S. Momaya & Co.
Company Secretaries

CS Divya Momaya
Proprietor
FCS No. 7195/ CP No. 7885

Date: 21st May 2020
Place: Navi Mumbai

CORPORATE GOVERNANCE REPORT

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

The Company is committed to best-in-class Corporate Governance practices with the objective of increasing benefits for all stakeholders of the Company viz. Shareholders, Customers, Suppliers, Employees and Society in general.

2. Board of Directors:

The composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015. The Board is comprised of Nine Directors, both executive and non-executive Mr. Atul Choksey is the Non-Executive Chairman. The day-to-day operations of the Company are managed by Mr. Abhiraj Choksey, the Managing Director and Plant operations by Mr. Y B Gadgil – Executive Director (till 31st March 2020), under the active guidance of the chairman.

Dr. S. Sivaram, Mr. Shailesh Vaidya, Mr. Kamlesh Vikamsey, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi are Non-Executive, Independent Directors, who constitute fifty six percent (56) of the total strength of the Board.

The Board of Directors of the Company consists of persons of eminence, having good experience in business management, polymer technology, finance, accountancy and law. The Board of Directors meet as often as required but not less than four times a year i.e. once in a calendar quarter. The Directors receive minutes of all the meetings of the Board and of the respective Committee meetings wherever they are members; namely Audit Committee, Nomination & Remuneration Committee, Social Responsibility Committee and Stakeholders Relationship Committee. During the financial year 2019-20, four meetings of the Board of Directors were held on i) **25th April 2019**, ii) **25th July 2019**, iii) **23rd October 2019**, and iv) **12th February 2020**.

Independent Directors are expected not to serve on the Board of competing companies. No Director of the company is a member of more than ten Committees or can act as Chairman of more than five committees across all public limited companies in which he / she is a Director. For the purpose of these only membership and chairmanship of Audit Committee and Stakeholders' Relationship Committee are alone considered.

Further, every Director informs the Company about the Committee position he / she occupies in other companies and notifies the changes as and when they take place. The details of directorships held by the Company's Directors in public limited companies as on 31st March 2020 and attendance at the Board Meetings of the Company are given below:

Name of Director(s)	Designation / Category of Directorship	Board Meetings attended	Attendance at last AGM	No. of other Directorships held	No. of Committees of which Member / Chairman
Mr. Atul Choksey	Non - Executive Chairman Promoter	4	Yes	1	-/-
Mr. Abhiraj Choksey	Managing Director	4	Yes	-	1/-
Mr. Amit Choksey	Non-Executive	3	No	-	-/-
Dr. S. Sivaram	Non-Executive, Independent	4	Yes	4	-/2
Mr. Shailesh Vaidya	Non-Executive, Independent	2	No	2	-/1
Mr. Kamlesh Vikamsey	Non-Executive, Independent	3	Yes	5	2/4
Mrs. Priyamvada Bhumkar	Non-Executive, Independent	4	No	-	1/-
Mr. Udayan Choksi	Non-Executive, Independent	4	Yes	-	2/-
Mr. Y B Gadgil (Till 31 st March 2020)	Executive Director	3	Yes	-	-/-

Mr. Atul Choksey, Mr. Abhiraj Choksey and Mr. Amit Choksey are related to each other.

The details of Directorship on the Board of Listed entities, other than Apcotex Industries Limited, of above directors are given below:

Sr. No.	Name of person		Names of the listed entities where the person is a director	Category of directorship
1	Mr. Atul Choksey	1	Ceat Ltd	Independent Director
2	Mr. Abhiraj Choksey		-	-
3	Mr. Amit Choksey		-	-
4	Dr. S Sivaram	1	Asian Paints Ltd	Independent Director
		2	Supreme Petrochem Ltd	Independent Director
		3	Deepak Nitrite Ltd	Independent Director
		4	GMM Pfaudler Ltd	Independent Director
5	Mr. Kamlesh Vikamsey *	1	Navneet Education Ltd	Non-Executive Director
		2	Tribhovandas Bhimji Zaveri Ltd	Independent Director
		3	GIC Housing Finance Ltd	Independent Director
		4	PTC India Financial Services Ltd	Independent Director
		5	Man Infraconstruction Ltd	Independent Director
6	Mr. Shailesh Vaidya	1	Siyaram Silk Mills Ltd	Independent Director
		2	Excel Industries Ltd	Independent Director
7	Mrs. Priyamvada Bhumkar		-	-
8	Mr. Udayan Choksi		-	-
9	Mr. Y B Gadgil (till 31 st March 2020)		-	-

* Mr. Kamlesh Vikamsey - Term as Non-Official Director (Independent Director) in Container Corporation Of India Limited expired on 31-03-2020

A Director of a listed entity shall not be a director on the Board of more than Seven (7) listed entities with effect from 1st April 2020, provided that he / she shall not serve as an Independent Director on the Board of more than Seven (7) listed entities. However, a person on the Board of a listed entity serving as Managing Director / Whole-Time-Director shall not serve as an Independent Director on the Board of not more than Three (3) listed entities.

Board Skills Matrix identified by Board of Directors of the Company

The Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the board of the Company. The template is designed to capture the skills of the current Board, assist in the recruitment of future directors if necessary and provide guidance for the Board in its succession planning.

The Board is a skills-based board comprising directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company. The Board has identified the skills and attributes required of Company directors can be broadly categorised as follows

- **Governance skills** (skills directly relevant to performing the Board's key functions);
- **Industry skills** (skills relevant to the industry/section in which the organisation predominantly operates); and
- **Personal attributes/qualities** that are generally considered desirable to be an effective Director.

In addition, the Board as a whole should also encompass desirable diversity in aspects such as gender, age, or different perspectives relative to the skills and attributes noted above.

Governance Skills

Skill area	Description	Importance of Skill (essential, desirable, able to rely on external advice)
Strategy	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies for the Company.	Essential
Policy	Ability to identify key issues and opportunities for the Company within the Polymer industry, and develop appropriate policies to define the parameters within which the organisation should operate.	Essential
Finance	Qualifications and experience in accounting or finance and the ability to: <ul style="list-style-type: none"> o analyse key financial statements; o critically assess financial viability and performance; o contribute to strategic financial planning; o oversee budgets and the efficient use of resources; and o oversee funding arrangements and accountability. 	Essential
Risk	Ability to identify key risks in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.	Essential
Technical	Have technical ability and knowledge to understand the company's product, process manufacturing technology etc	Desirable
Information technology	Knowledge and experience in the strategic use and governance of information management and information technology including personal information privacy and security risk management.	Desirable
Executive management	Experience at an executive level including the ability to: <ul style="list-style-type: none"> o appoint & evaluate the performance of the MD/KMP/Senior Management o oversee strategic human resource management and industrial relations 	Desirable
Board experience	Experience as a director of a company, preferably of a listed company, and an understanding of compliance requirements, including reporting and shareholder meeting requirements	Desirable
Commercial experience	A broad range of commercial/business experience	Desirable

Industry Skills

Skill area	Importance of Skill (essential, desirable, able to rely on external advice)
Expertise in the areas of the Company's Business	Desirable
Depth of experience with the Company	Desirable

Personal Attributes/Qualities

Attribute	Description
Integrity (ethics)	A commitment to: <ul style="list-style-type: none"> o understanding and fulfilling the duties and responsibilities of a director, and maintaining knowledge o putting the Company's interests before any personal interests o being transparent and declaring any activities or conduct that might be a potential conflict o maintaining Board confidentiality
Influencer and negotiator	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain broad stakeholder support for the Board's decisions
Critical and innovative thinker	The ability to critically analyse complex and detailed information, readily understand key issues, and develop innovative approaches and solutions to problems
Leader	Leadership skills including the ability to: <ul style="list-style-type: none"> o appropriately represent the organisation o set appropriate Board and Company culture o make and take responsibility for decisions and actions

The skill areas in the matrix are regularly reviewed to ensure that the composition of skills on the Board remains aligned with the Group's stage of development and strategic direction.

Name of directors with their skills / expertise / competence

Name of Directors	Strategy	Policy	Finance	Risk	Technical	Information technology	Executive management	Board experience	Commercial experience
Mr. Atul Choksey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abhiraj Choksey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Choksey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Sivaram	✓	✓		✓	✓	✓	✓	✓	✓
Mr. Shailesh Vaidya	✓	✓		✓		✓	✓	✓	✓
Mr. Kamlesh Vikamsey	✓	✓	✓	✓		✓	✓	✓	✓
Mrs. Priyamvada Bhumkar	✓	✓	✓	✓		✓	✓	✓	✓
Mr. Udayan Choksi	✓	✓	✓	✓		✓	✓	✓	✓
Mr. Y B Gadgil	✓	✓		✓	✓	✓	✓	✓	✓

Confirmation

In the opinion of the Board that the Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

Familiarisation programmes

The web link of familiarisation programmes imparted to independent directors is disclosed in Director Report.

Details of shareholding of Directors as on 31st March 2020

The number of equity shares of face value of Rs.2/- each of the Company held by the Directors as on 31st March 2020 is as under:

Name of Directors	Executive or Non-Executive Director	No. of Shares	% to paid up capital
Mr. Atul Choksey	Non-Executive Director	78,91,530	15.22
Mr. Abhiraj Choksey	Executive Director	68,42,581	13.20
Mr. Amit Choksey	Non-Executive Director	1,72,275	0.33
Dr. Sivaram	Non-Executive Director Independent	--	--
Mr. Shailesh Vaidya	Non-Executive Director Independent	--	--
Mr. Kamlesh Vikamsey	Non-Executive Director Independent	--	--
Mrs. Priyamvada Bhumkar	Non-Executive Director Independent	25,000	0.05
Mr. Udayan Choksi	Non-Executive Director Independent	--	--
Mr. Y B Gadgil (Till 31 st March 2020)	Executive Director	6,500	0.01

Responsibilities:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the intervening gap between the meetings is within the period prescribed under the Companies Act 2013. During the year under review the Board met **four (4)** times. The agenda of the Board meeting is circulated to all the Directors well in advance and contains all the relevant information. The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The Executive Director is responsible for Plant Operations. The senior management personnel heading respective divisions are responsible for all day-to-day operations related issues, productivity, recruitment, and employees retention for their divisions.

The Company has constituted various committee(s) in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as the Secretary to all the Committees. Each of these Committees has the authority to engage outsider experts, advisors, and counsels to the extent it considers appropriate to assist in its functions. Minutes of the Committee meetings are circulated to the Directors and placed before the Board meeting for noting thereat.

3. Audit Committee

The Audit Committee was constituted in April 2000, which was reconstituted by the Board of Directors in their meeting held on 26th April 2014 in compliance with the Companies Act, 2013 and Listing Agreement / SEBI (LODR) Regulations, 2015. During the year under review, four meetings of the Committee were held on i) 25th April 2019, ii) 25th July 2019 iii) 23rd October 2019 and iv) 12th February 2020.

The Audit Committee comprises of three Non-Executive Independent Directors viz. Mr. Kamlesh Vikamsey as the Chairman, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi, as members.

Attendance at the Audit Committee meetings during the year under review are given below:

Name	Non-Executive / Independent	Numbers of Meetings held – Four
		Attended
Mr. Kamlesh Vikamsey	Non-Executive, Independent	3
Mrs. Priyamvada Bhumkar	Non-Executive, Independent	4
Mr. Udayan Choksi	Non-Executive, Independent	4

The Audit Committee invites the executives of the Company, as it considers appropriate, representatives of Statutory Auditor and representatives of the Internal Auditor at its meetings.

The role of the Audit Committee includes the followings pursuant to Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for terms of appointment and remuneration of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to quarterly and yearly financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report to be submitted by monitoring agency with regard to utilisation of proceeds of a public or rights issue, and making appropriate recommendations to Company's Board;
7. Review and monitor the auditor's 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 undertaking or assets of the company, whenever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, reviewing Internal Control Systems in the organisation;
13. Reviewing adequacy of internal audit function, if any, including structure of 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 over significant findings and follow up there on;
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 the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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 CFO;
20. Approval or any subsequent modification/ changes of Related Party Transactions;
21. To investigate into any matter specified under Section 177(4) or any matter referred by the Board.
22. The Committee has power to obtain external professional help/ advice and has right to ask for any information/ explanation.
23. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any.

4. Nomination and Remuneration Committee:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and other applicable provisions and Listing Agreement / SEBI (LODR) Regulations, 2015, the Remuneration Committee was reconstituted as "Nomination and Remuneration Committee" by the Board of Directors in their meeting held on 26th April 2014, in compliance with the Companies Act, 2013 / Agreement / SEBI (LODR) Regulations, 2015. The present Members of Committee are - Dr. S. Sivaram, Mr. Atul Choksey, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar. Dr. S. Sivaram, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar are the non-executive independent director of the Company.

The Nomination and Remuneration committee met twice during the financial year viz. i) **4th June 2019** and ii) **12th February 2020**. The necessary quorum was present for all the meetings. The Chairman of the Nomination & Remuneration Committee meeting was present at the last Annual General Meeting. The composition of the Committee during the financial year and the details of the meetings held and attended by the members are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - Two Attended
Dr. S. Sivaram	Non-Executive Independent	2
Mr. Atul Choksey	Non-Executive	2
Mr. Kamlesh Vikamsey	Non-Executive Independent	2
Mrs. Priyamvada Bhumkar	Non-Executive Independent	1

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

- 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 of directors;
- devising a policy on diversity of board of directors;
- 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 the 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

The Nomination and Remuneration Policy is devised in accordance with Section 178 of the Companies Act, 2013 / SEBI (LODR) Regulations, 2015 has been published elsewhere in this report as Annexure to the Directors Report. The performance evaluation criteria for independent director are provided in the Director Report. Further, the details of remuneration paid to all the Directors and other disclosures as required to be made under SEBI (LODR) Regulation 2015 have been provided in this Report.

5. Remuneration of Directors / Remuneration Policy:

Non-executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them and are also eligible for commission. The shareholders of the Company at the meeting held on 4th June 2019 had authorised the payment of commission to the Non-Executive Directors upto 3% of net profit of the Company, calculated in accordance with provisions of Section 197 and 198 of the Companies Act, 2013. The allocation of commission to Non-Executive Directors is determined by the Board based on various criteria like time spent, involvement in various decision making process and the individual contribution etc.

The payment of Commission, in the excess of 50% of the total Commission as computed under provisions of Section 198 of the Companies Act, 2013, available for Non-Executive Directors of the Company, to any one Director, needs to be approved by the Shareholders by way of special resolution.

The Sitting fees paid and the commission proposed to be paid subject to approval of shareholders at the ensuing Annual General Meeting (AGM) are as under:

Name of Director	Sitting Fees	Commission*	Total
Mr. Atul Choksey	1,20,000	35,00,000	36,20,000
Mr. Amit Choksey	45,000	-	45,000
Dr. S. Sivaram	1,50,000	3,00,000	4,50,000
Mr. Shailesh Vaidya	1,00,000	3,00,000	4,00,000
Mr. Kamlesh Vikamsey	2,00,000	3,00,000	5,00,000
Mrs. Priyamvada Bhumkar	2,25,000	3,00,000	5,25,000
Mr. Udayan Choksi	2,00,000	3,00,000	5,00,000

*In view of lower profits, the Board approved the payment of commission of Rs.50 lacs only, which works to about 2% of the Net profits of the Company.

Remuneration paid to Executive / Whole time Directors for the FY 2019-20 is as under:

Name	Mr. Abhiraj Choksey	Mr. Y B Gadgil*
Salary	112.88 lacs	46.05 lacs
Variable Pay	As per Company's Policy.	As per Company's Policy.
Provident Fund	4.43 lacs	2.01 lacs
Perquisites	7.17 lacs	1.01 lacs
Notice Period	6 months	2 months
Details of Service contracts with Directors		
Director	Service Contract and Period	Severance Fees
Mr. Abhiraj Choksey Managing Director	Agreement date: 25-04-2019: Period:01-05-2019 to 30-04-2022	Nil
Mr. Y B Gadgil* Executive Director	Period:06-02-2019 to 31-03-2020	Nil

* Mr. Y B Gadgil as an Executive Directors with effect from close of office hours on 31st March 2020 has resigned from the post of Directorship of the Company with effect from that date.

6. Stakeholders Relationship Committee:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, the Stakeholders Relationship Committee Members are – Mr. Shailesh Vaidya, Mr. Udayan Choksi and Mr. Abhiraj Choksey. The Stakeholders Relationship Committee met once on 19th May 2020 for the financial year 2019-20, within the extended timeline vide SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26th March 2020 due to Covid-19 pandemic. The necessary quorum was present for the meeting. The composition of the Committee during the financial year and the details of the meeting held and attended by the members are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - One
		Attended
Mr. Shailesh Vaidya	Non-Executive Independent	1
Mr. Udayan Choksi	Non-Executive Independent	1
Mr. Abhiraj Choksey	Managing Director	1

The broad terms of reference of Stakeholders Relationship Committee as set out in the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 will include the following:

- 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

The details of correspondences / grievances received and redressed during the financial year 2019-20 by the Company through the Registrars, Link Intime India Pvt Ltd, are as under;

Sr. No.	Particulars	No. of correspondence / Complaints
1	Investor Correspondences / complaints pending at the beginning of the year	NIL
2	Investor Correspondences / complaints received during the year	1197
3	Investor Correspondences / complaints disposed of during the year	1165
4	Investor Correspondences / remaining unresolved at the end of the year	32

Mr. Anand V. Kumashi, has been appointed as the Compliance Officer, as required by Regulation 6 of SEBI (LODR) Regulations 2015. He has been entrusted the task of meeting fully the requirements of the said Regulation and overseeing the share registry work done by the Registrars and Share Transfer Agents; attending to grievances of the shareholders and investors; compliance with the statutory and regulatory requirements etc. of SEBI and stock exchanges.

With reference to Regulation 46 of SEBI (LODR) Regulations, 2015 the Company has designated exclusive e-mail ID as redressal@apcotex.com for investors to register their grievances, if any. This has been initiated by the company to resolve investors' grievances, immediately. The Company has displayed the said e-mail ID on its website for the knowledge of Investors.

7. Corporate Social Responsibility Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" in their meeting held on 26th April 2014, in compliance with the Companies Act, 2013 comprising of three Directors including an Independent Director viz. Mr. Shailesh Vaidya, Mr. Atul Choksey - Chairman and Mr. Abhiraj Choksey – Managing Director.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are as under:

- Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR Committee met thrice for considering reviewing the CSR activities during the financial year viz. i) **23rd April 2019** ii) **23rd October 2019** and iii) **19th May 2020**. The necessary quorum was present for the meeting. The composition of the Committee during the financial year 2019-20 and details of meeting held and attended by the Directors are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - Three Attended
Mr. Shailesh Vaidya	Non-Executive Independent	3
Mr. Atul Choksey	Non-Executive	3
Mr. Abhiraj Choksey	Managing Director	3

The CSR policy devised in accordance with provisions of Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives under taken by the Company on CSR during the financial year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure to the Directors Report.

8. General body meetings:

During the preceding three years, the Company's Annual General Meeting were held at EBONY Hall, Tunga Hotel, Plot No.37, Sector 30-A, Vashi, Navi Mumbai - 400703 (2018-19) and Sapphire, Royal Tulip Hotel, 26/B, Sector 7 Kharghar, Navi Mumbai - 410210 (2017-18 and 2016-17)

Details of last three Annual General Meetings Held:

Year	Date	Time	Special resolution/s passed
2018-19	4 th June 2019	11.00 a. m	Yes (Eleven)*
2017-18	27 th July 2018	04.00 p.m	Yes(One)*
2016-17	17 th August 2017	04.30 p.m	Yes(One)*

Special Resolution/s passed:*2018-19:**

- Re-appointment of Mr. Abhiraj Choksey as Managing Director for a further period of 3 years.
- Re-appointment of Mr. Y B Gadgil as an Executive Director upto 31st March 2020
- Re-appointment of Dr. S. Sivaram as an Independent Director (Second Term)
- Re-appointment of Mr. Shailesh Vaidya as an Independent Director (Second Term)
- Re-appointment of Mr. Kamlesh Vikamsey as an Independent Director (Second Term)
- Approval of Annual Remuneration payable to single Non-Executive Director
- Amendment of the Capital Clause of the Memorandum of Association of the Company
- Amendment of Article 2 of the Articles of Association of the Company
- Approval Tour / Medical Expenses of Chairman of the Company
- Authorization for Borrowing power of the Company
- Authorization for Commission (3%) to Non-Executive Director

2017-18:

Shifting of Registered Office of the Company

2016-17:

Authorization for Payment of Commission (1%) to Non-Executive Director for 5 years

Special Resolution passed through postal ballot

None of the business proposed to be transacted in the ensuing AGM require passing a special resolution through postal ballot.

9. Means of Communication:

- The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. 'Business Standard' and 'Mumbai Lakshadeep', and displayed on Company's website, www.apcotex.com.
- The Annual Report of the Company for the financial year 2019-20 is being emailed to the members whose email addresses are available with the depositories as per section 136 of the Companies Act, 2013 and Regulation 36 of SEBI (LODR) Regulations, 2015. For other members, who have not registered their email addresses, are requested to register their email ID at the earliest and ask for the soft copy of the Annual Report.. In accordance with General Circular No. No.20/2020 dated 5th May 2020 issued by Ministry of Corporate Affairs (MCA) and the circular no.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by SEBI, Company is not printing copies of the Annual Report.
- The Annual Report is available on the Company's website.
- Quarterly/event wise presentations made to institutional investors/analysts is uploaded on website of Stock Exchanges i.e BSE Ltd and NSE Ltd and displayed on Company's website, www.apcotex.com .

10. General Shareholders Information:

- 34th Annual General Meeting (AGM) of the Company will be held on **Tuesday the 4th August 2020 at 11:00 AM**, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), the company will conduct the meeting from Registered Office i.e 49-53 Mahaveer Centre, Plot no. 77, Sector 17, Vashi, Navi Mumbai - 400 703, which shall be deemed to be venue of AGM to transact the business mentioned in the Notice of AGM dated 21st May 2020.
As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.
- The Company's financial Year is 1st April to 31st March
- Dividend payment: Interim Dividend declared and paid on or after 26th February 2020 @ of Rs.3.00 per equity share of Rs.2/- (@ 150%) to be confirmed as the final Dividend for the financial year 2019-20.
- Listing on Stock Exchanges: The Company's equity shares are listed on BSE Ltd and NSE. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date.

- e. Stock Code: BSE Ltd - 523694
Symbol: NSE Ltd – APCOTEXIND

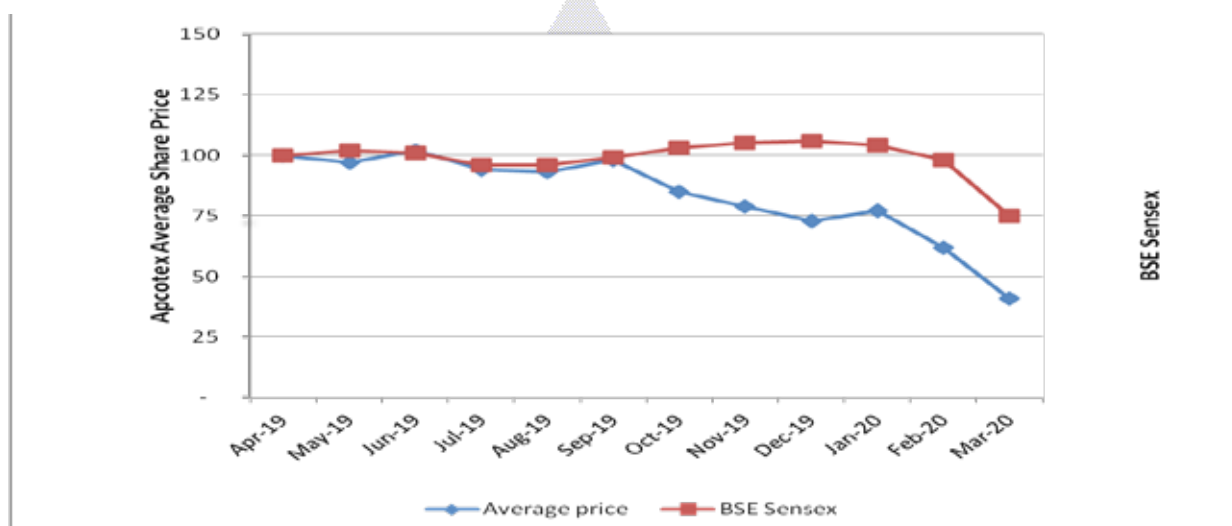
- f. Market Price Data:

Monthly high and low prices of equity shares of the company quoted at BSE and NSE during the year **2019-20**

(Amount in Rs)

Month	BSE		NSE	
	High	Low	High	Low
April	227	206	227	205
May	222	198	219	196
June	230	210	230	212
July	230	176	230	174
August	220	181	220	176
September	230	195	233	195
October	200	167	198	166
November	184	160	184	160
December	173	145	175	145
January	180	153	180	153
February	168	102	168	102
March	112	64	111	63

- g. Stock Performance Index :



- h. Dates of book closure: **Saturday, the 25th day of July 2020 to Monday, 3rd day of August 2020** (both days inclusive) for the purpose of AGM.

- i. Registrars and Share Transfer Agents:

The Company has appointed Link Intime India Pvt Ltd as its Registrars and Share Transfer Agents w.e.f 1st August 2006. Share Transfers, dematerialisation of shares, and all other investors related activities are attended and processed at the office of the Registrars and Share Transfer Agents at the following address :

Link Intime India Pvt Ltd
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai- 400 083
Tel. No.- 022-49186000, 49186270
Fax : (022) 49186060
Email : rnt.helpdesk@linkintime.co.in

j. Share Transfer System:

Company's shares are compulsorily traded in the demat segment on the stock exchange(s), and most transfers of shares take place in electronic form.

For expediting Physical transfer of shares, the Board has delegated the share transfer formalities to the officials of Registrar and Share Transfer Agent, to approve the transfer of shares on every Monday. Physical transfers are effected well within the stipulated period of 30 days.

Share Transfers

Share Transfer Forms (SH-4) for shares held in physical mode which are received by the Company/Link Intime India Pvt Ltd, returned on or before 1st April 2019 due to incomplete form deficiency in the documents are may be required or signature difference, are allowed to be relogged for transfer in physical form.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 amended Regulation 40 of SEBI (LODR) Regulations, 2015 pursuant to which after 31st March 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

Nomination facility for shareholding

As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Share Department of the Company/ Link Intime India Pvt Ltd. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Member's attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018, pursuant to which the Company has written to shareholders holding shares in physical form, requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those shareholders, who are yet to respond to the Company's request in this regard, are once again requested to take action in the matter at the earliest.

Subdivision of shares

On 5th July 2019 (Record Date), the company has sub-divided the equity shares from face value of Rs.5/- each fully paid-up into Rs.2/- each fully paid-up. The old shares having face value of Rs.5/- are no longer tradable and stands cancelled. The Company already sent / dispatched the new share certificate of face value of Rs.2/- each, to all members holding the shares in the physical mode, even without surrendering the old share certificate of face value of Rs.5/- each which automatically stands cancelled. The Members holding the shares in the electric form were credited with the required number of shares through corporate action on the ex-subdivision date in their demat account.

k. Distribution of Shareholding as on 31st March 2020:

Distribution of Shareholding (Shares)				
Shareholding of Nominal Shares	No. of Shareholders	Percentage of Total Shareholders	Shares	Percentage of Total Shares
1 to 2500	22,450	94.97	79,50,698	15.34
2501 to 5000	596	2.52	22,22,548	4.29
5001 to 10000	282	1.19	21,01,745	4.05
10001 to 15000	105	0.44	12,73,052	2.46
15001 to 20000	44	0.19	7,72,061	1.49
20001 to 25000	42	0.18	9,65,670	1.86
25001 to 50000	62	0.26	21,87,946	4.22
50001 and above	57	0.24	3,43,71,240	66.30
Total	23,638	100.00	5,18,44,960	100.00

Distribution of Shareholding (Rupees)				
Shareholding of Nominal in Rs.	No. of Shareholders	% of Total Shareholders	Share Amount in Rs.	% of Total Shares Capital
1 to 2500	21,316	90.18	1,16,26,484	11.21
2501 to 5000	1,134	4.80	42,74,912	4.12
5001 to 10000	596	2.52	44,45,096	4.29
10001 to 15000	162	0.69	20,15,104	1.94
15001 to 20000	120	0.51	21,88,386	2.11
20001 to 25000	71	0.30	15,98,806	1.54
25001 to 50000	120	0.51	44,22,760	4.27
50001 and above	119	0.50	,31,18,372	70.52
Total	23,638	100.00	10,36,89,920	100.00

I. Dematerialisation of Shares:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. NSDL and CDSL.

Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2020, 4,96,63,280 equity shares comprising of 95.79% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

m. Outstanding Stock

Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion data and impact on equity: NIL

n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is not dealing / trading in any commodities / exchanges, hence does not have any exposure to commodity price risk.

Company imports couple of bulk materials for which Options / Forward covers are taken immediately on crystallisation of the liability

The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize foreign currency risk

o. Plant Locations

<p><u>Taloja Plant:</u> Plot No.3/1, MIDC Industrial Area Taloja – 410 208, Dist. Raigad, Telephone: 022 2740 3500</p>	<p><u>Valia Plant:</u> Village – Dungri, Tal- Valia, Ankleshwar – 393135. Dist – Bharuch, Gujarat</p>
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p. Address for correspondence Investor correspondence may be addressed to any of the following:

Registered Office	Registrar & Share Transfer Agents
49-53, Mahavir Centre, Sector 17 Vashi, Navi Mumbai - 400 703 Tel. No: 022 27770800 Fax: 022 2741 2052	Link Intime India Pvt Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel. No.-022-49186000, 49186270 Fax - (022) 49186060
Website: www.apcotex.com E-mail: redressal@apcotex.com	Website: www.linkintime.co.in E-mail. : rnt.helpdesk@linkintime.co.in

q. Credit Rating

ICRA and CARE have reaffirmed the credit rating of ICRA AA- (stable) for the long term and ICRA A1+ & CARE AA- (stable) for short term financial instruments of the Company. This reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet financial obligations.

r. Categories of Shareholding as on 31st March 2020:

Sr. No.	Category	No. of Shares	% of shareholding
1.	Promoters' Holding		
	Indian Promoters	3,00,79,517	58.02
2.	Non promoters' Holding		
	Mutual Funds	2,47,632	0.48
	Insurance companies/Banks/Financial Institution	51,441	0.10
	Indian Public	1,82,97,377	35.29
	Directors	31,500	0.06
	Hindu Undivided Family	6,52,309	1.26
	Non Resident Indians	8,29,899	1.60
	Other Corporate Bodies	13,25,585	2.56
	IEPF Authority	1,47,570	0.28
	Alternate Investment Funds	43,875	0.08
	NBFC	76,105	0.15
	Clearing Member	50,308	0.10
	Trust	8,080	0.02
	Foreign Portfolio Investor	3,762	0.01
	Total	5,18,44,960	100

- s. Dividend: Interim Dividend @ of Rs.3 per equity share of Rs.2/- (@ 150%) already paid during the year (on or after 26th Feb 2020) is to be confirmed as the final Dividend for the FY 2019-20.
- t. Electronic Clearing Service (ECS): The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.
- u. 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 accounts, including the MICR codes of their banks, to their DPs.
- v. Furnish copies of Permanent Account Number (PAN): The members are requested to furnish their PAN which will help us to strengthen the compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002.
- w. ISIN allotted to Equity Shares is **INE116A01032**
- x. Corporate Identification Number (CIN No.): **L99999MH1986PLC039199**

11. Other Disclosures:

a. Related Party Transactions:

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. The details of Related Party Transactions are given in Annexure to the Directors Report.

b. Compliances:

The Company believes that it has complied with all the regulations of Stock Exchanges, SEBI or other statutory authority/ties on matters related to capital markets. No penalty has been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

c. Vigil Mechanism or Whistle-Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 and the Regulation 22 of SEBI (LODR) Regulation, 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at https://apcotex.com/policy/Whistle_Blower_Policy.pdf

d. Web link of policy on dealing with related party transactions:

The web link of policy on dealing with related party transactions is provided in Director Report.

- e. Certificate from company secretary in practice regarding Non-disqualification of Directors

The Company has obtained a certificate from M/s. D S Momaya & Co., Company Secretaries that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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 Board of Directors
Apcotex Industries Ltd
49-53, Mahavir Centre, Sector 17,
Vashi Navi Mumbai- 400703

We have examined the relevant registers, records, forms, returns and disclosures received from **Apcotex Industries Limited**, having **CIN L99999MH1986PLC039199** and having registered office at 49-53, Mahavir Centre, Sector 17, Vashi, Navi Mumbai -400703 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to our by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March 2020** 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.	Amit Champaklal Choksey	00001470	21/11/1997
2.	Atul Champaklal Choksey	00002102	23/01/1991
3.	Abhiraj Atul Choksey	00002120	26/11/2002
4.	Shailesh Shankarlal Vaidya	00002273	21/01/2012
5.	Sivaram Swaminathan	00009900	27/03/1996
6.	Kamlesh Shivji Vikamsey	00059620	25/01/2013
7.	Priyamvada Ashesh Bhumkar	00726138	31/10/2014
8.	Udayan Dileep Choksi	02222020	27/07/2018
9.	Y B Gadgil (upto 31 st March 2020)	07353169	06/02/2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. 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.

For D. S. Momaya & Co.
Company Secretaries

CS Divya Momaya
Proprietor
FCS No. 7195/ CP No. 7885

Date: 21st May 2020
Place: Navi Mumbai

- f. Recommendation of Committee

All the recommendations of the committees are accepted by the Board

- g. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in Director Report

h. Risk Management:

The Company has since 2004-05, undertaken the exercise of identifying risks being faced by the company and ways of managing such risks. Risk minimisation is being built up in the operating systems. Risks are periodically reviewed at both Audit committee level and Board of Directors of the company.

i. Meeting of Independent Directors:

The company's Independent Directors met on 12th February 2020 and 21st May 2020 without the presence of the Managing Director, Non-Executive Non-Independent Directors and the Management representatives. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

j. Code of Conduct:

The Company has adopted a Code of Conduct for Directors and members of Senior Management which was revised and approved by Board at their Meeting held on 28th March 2019 in compliance with recently amended SEBI (Prohibition of Insider Trading) Regulations. The Code is available on the Company's Website at <https://www.apcotex.com/policy/Code%20of%20Conduct%20for%20Board%20Members%20&%20SMP.pdf> . All Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by Mr. Abhiraj A. Choksey, Managing Director is appearing in the Annual Report.

k. Prohibition of Insider Trading:

In compliance with the provisions of SEBI (Prohibition of Insider Trading Regulations) 2015, as amended from time to time, to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI)/Leak of UPSI, the Company has adopted a Code of Conduct for Insider Trading for prohibition of Insider trading which was revised and approved by Board at their meeting held on 28th March 2019, for Promoters, Member of Promoter group, directors, Designated Person/ Employees, their immediate relatives, designated persons of material subsidiary Company and substantial shareholders in the listed Companies. This policy also provides for periodical disclosures from the designated person as well as pre-clearances of transactions by such persons.

l. MD and CFO Certification:

Certificate from Mr. Abhiraj Choksey, Managing Director and Mr. Suraj Badale, CFO, in terms of Regulation 17 of SEBI (LODR) Regulations, 2015, was placed before the Board of Directors of the Company in its meeting held on 21st May 2020

m. Management Discussion and Analysis forms part of the Directors Report.

n. Certification of Corporate Governance Report:

Certificate from M/s. D S Momaya & Co., Company Secretaries on Corporate Governance, as required under Regulation 34 of SEBI (LODR), Regulations, 2015, is incorporated in this Annual Report.

12. Unclaimed Dividend

Under the Companies Act, 2013, dividends that are unclaimed for a period of seven years are to be transferred to the Investors Education and Protection Fund, administered by the Central Government. The table given below gives the dates of dividend declaration or payment and the corresponding date when unclaimed dividends will be due to be transferred to the Central Government.

Year	Dividend Account No.	Bank name	Date of declaration	Date due for transfer to Central Government
2012-13	33052231411	State Bank of India	28/06/2013	27/06/2020
2013-14	33955651985	State Bank of India	31/07/2014	29/07/2021
2014-15	35071962068	State Bank of India	31/07/2015	29/07/2022
2015-16	35933618597	State Bank of India	10/08/2016	09/08/2023
2016-17	37018745044	State Bank of India	17/08/2017	16/08/2024
2017-18	37799003587	State Bank of India	27/07/2018	26/07/2025
2018-19	38459644556	State Bank of India	04/06/2019	03/06/2026
2019-20	39138426434	State Bank of India	12/02/2020	11/02/2027

The concerned shareholders are requested to get their uncashed dividend warrants revalidated and encashed thereafter.

Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been claimed for seven consecutive years.)

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred 21535 equity shares to the IEPF Authority account during the financial year.

Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF

With effect from September 7, 2016, Investors / Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

1. First Step – Register yourself on IEPF website: www.iepf.gov.in
2. Second Step – Fill the new web form IEPF-5 online.
3. Third Step – Attach scan copy of requisite documents with form.
4. Fourth Step – Take printout of auto generated advance receipt, indemnity bond etc.
5. Fifth Step – Send all original documents to the Company.
6. Sixth Step – Company to e-verify the claim in 30 days.
7. Seventh Step – On the basis of verification report, refund of shares and amount by IEPF Authority to the claimant.

The Nodal Officer of the Company for IEPF refunds process is Mr Anand Kumashi, whose e-mail id is avkumashi@apcotex.com

Dealing with securities which have remained unclaimed

Under Regulation 39(4) of SEBI (LODR) Regulations, 2015 read with Schedule VI "Manner of dealing with Unclaimed Shares", Companies are required to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

Declaration – Code of Conduct

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31st March 2020, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

**Date : 21st May 2020
Place : Navi Mumbai**

**Abhiraj Choksey
Managing Director
DIN: 00002120**

Auditors' Certificate on Corporate Governance;

To the **Members of Apcotex Industries Limited**

49-53, Mahavir Centre, Sector 17
Vashi, Navi Mumbai - 400 703

We have examined all the relevant records of Apcotex Industries Limited (CIN: L99999MH1986PLC039199) for the purpose of certifying compliance of conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March 2020. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the requirements of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March 2020.

For D. S. Momaya & Co.
Company Secretaries

CS Divya Momaya
Proprietor
FCS No. 7195/ CP No. 7885

Date : 21st May 2020

Place: Navi Mumbai

Managing Director and Chief Financial Officer (CFO) Certification

We the undersigned, in our respective capacities as Managing Director and CFO of Apcotex Industries Ltd to the best of our knowledge and belief certify that:

- A. We have reviewed the Financial Statements for the financial year ended 31st March 2020 and that to the best of our knowledge and belief:
1. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These Statements together present a true and fair view of the Company and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
1. significant changes in internal control over financial reporting during the financial year;
 2. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the accounts; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Abhiraj Choksey
Managing Director

Suraj Badale
Chief Financial Officer

Date: 21st May 2020

Place: Navi Mumbai

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number of the Company	L99999MH1986PLC039199
2	Name of the Company	Apcotex Industries Limited
3	Registered address	49-53 Mahaveer Centre, Plot no. 77, Sector 17, Vashi, Navi Mumbai-400703
4	Website	www.apcotex.com
5	E-mail id	redressal@apcotex.com
6	Financial year reported	31 st March 2020
7	Sector (s) that the Company is engaged in (industrial activity code-wise)	Manufacture of synthetic rubber – NIC Code 20132 Manufacture of other products or preparations of kind used in the textile, paper, leather and like industries – NIC Code 20297
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Synthetic Rubber (Nitrile Rubber, High Styrene Rubber, Nitrile Polyblends and Nitrile Powder) Synthetic Latex (XSB Latex, VP Latex, Styrene Acrylics and Nitrile Latex)
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations • Company does not have International Locations (b) Number of National Locations • Corporate office - Mumbai • Registered office – Navi Mumbai • Manufacturing Unit – Taloja, Maharashtra and Valia, Gujarat
10	Markets served by the Company – Local/State/National/International	• India through domestic operations • Exports are done to other countries such as Malaysia, Thailand, Vietnam, UAE, Saudi Arabia, Egypt, etc

Section B: Financial Details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	Rs.1,036.90 lacs
2	Total Turnover (INR)	Rs.50,191.52 lacs
3	Total profit after taxes (INR)	Rs.1,662.72 lacs
4	Total Spending on Corporate Social Responsibility (CSR) 1. In Rs. 2. as a percentage of average net profit of the Company for last 3 financial year	1. Rs.73.76 lacs 2. 1.73%
5	List of activities in which expenditure in 4 above has been incurred:	Refer Section E: Principle 4

Section C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company / Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: Business Responsibility Information

1. Details of Director/Directors responsible for Business Responsibility

(a) Details of the Director responsible for implementation of the Business Responsibility policy/policies

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00002120
2	Name	Mr. Abhiraj Choksey
3	Designation	Managing Director

(b) Details of the Business Responsibility head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	07353169
2	Name	Mr. Yashodhan B. Gadgil *
3	Designation	Executive Director
4	Telephone number	022 27403500
5	e-mail id	ybgadgil@apcotex.com

*Resigned from the post of Directorship w.e.f 31st March 2020

2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy/policies

Principles	Description
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Business should respect, protect and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the internal stakeholders of the Company. The external stakeholders are being consulted as per business requirements and on need basis								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The Policies conform to the principle of National Voluntary Guidelines on Social Environment and Economic Responsibilities of Business (NVGs) notified by Ministry of Corporate Affairs								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	N	N	Y	N	N	Y	Y	N

5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	*	*	*	*	*	*	*	*	*
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

*Policies are available on the website i.e www.apcotex.com

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – **NOT APPLICABLE**

3. Governance related to Business Responsibility

Information with reference to Business Responsibility framework:

Sr. No.	Question	Information
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, the top 1000 companies based on market capitalization on 31 st March 2020 on BSE/NSE are required to prepare Business Responsibility Report (BRR). In view of above, the Company is first time preparing BRR in its history. The Board of Directors will assess the BR Performance on annual basis.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	As explained above this is the first time Company is preparing BRR. The Company will publish the BRR with the Annual Accounts for the Financial Year 2019-20 and upload the same on the Company's website at www.apcotex.com

Section E: Principle-Wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

Apcotex Industries Limited (Apcotex) is believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards, transparency and accountability in its dealings with all its constituents.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?	The ethics, bribery and corruption are covered under the Code of conduct and HR Policy of the Company. The code and policies cover only the Company. It does not extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	The Company has received shareholders complaints which were resolved / attended during the financial year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Apcotex is committed to ensure compliance with relevant standards of environment, health and safety commencing at the product design itself, and is extended to the entire life cycle of the product.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information																
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(a) Paper Grade Latex (b) Construction Grade Latex (c) Nitrile Grade Latex																
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	<table border="1"> <thead> <tr> <th>Resource</th> <th>18-19</th> <th>19-20</th> <th>% red.</th> </tr> </thead> <tbody> <tr> <td>Water (m3/MT)</td> <td>1.93</td> <td>1.76</td> <td>8.81%</td> </tr> <tr> <td>Power (Kwh/MT)</td> <td>128.69</td> <td>123.83</td> <td>3.78%</td> </tr> <tr> <td>Coal (Kwh/MT)</td> <td>161.70</td> <td>153.42</td> <td>5,12%</td> </tr> </tbody> </table>	Resource	18-19	19-20	% red.	Water (m3/MT)	1.93	1.76	8.81%	Power (Kwh/MT)	128.69	123.83	3.78%	Coal (Kwh/MT)	161.70	153.42	5,12%
Resource	18-19	19-20	% red.															
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Coal (Kwh/MT)	161.70	153.42	5,12%															
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	No																
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Company is developing alternate supplier for its raw material and services where local producer are preferred. Following steps have been taken to improve their capacity and capability of local and small vendors: 1. Training to vendors 2. Regular Audit of vendors 3. Annual evaluation of performance																
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. <5%.This is transformed into a useful product and sold to authorized recyclers who use it in making rubber based products.																

Principle 3: Business should promote the wellbeing of all employees

Apcotex is considers human resource as the valuable asset and essential for persistent growth of business. Company's code of conduct / policy provides guidelines for employee well being related to participation, freedom, gender equality and harassment free work place. We give emphasis on capacity building of the personnel based on job/role requirements, technical knowledge and soft skills.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information																
1	Please indicate the Total number of employees on the payroll of the Company	436																
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	336																
3	Please indicate the Number of permanent women employees.	2																
4	Please indicate the Number of permanent employees with disabilities	Nil																
5	Do you have an employee association that is recognized by management?	Yes. Labor union is in existence at one of our Plant i.e. Taloja Plant.																
6	What percentage of your permanent employees is members of this recognized employee association?	22%																
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<table border="1"> <thead> <tr> <th>Sr. No</th> <th>Category</th> <th>No of complaints filed during the financial year</th> <th>No of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour / forced Labour / involuntary labour</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Sr. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year	1	Child labour / forced Labour / involuntary labour	Nil	Nil	2	Sexual harassment	Nil	Nil	3	Discriminatory employment	Nil	Nil
Sr. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year															
1	Child labour / forced Labour / involuntary labour	Nil	Nil															
2	Sexual harassment	Nil	Nil															
3	Discriminatory employment	Nil	Nil															
8	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	(a) Permanent Employees: 100% (b) Permanent Women Employees: 100% (c) Casual/Temporary/Contractual Employees: >80% (d) Employees with Disabilities: Not applicable																

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Apcotex recognizes the interest of all communities including those of disadvantaged, vulnerable, marginalized and weaker sections of the society and actively engages with them. It believes that it has a responsibility to think and act beyond the interests of its shareholders to include all its stakeholders especially interests of the weaker sections of the society.

Apcotex is committed to providing a safe and healthy workplace. Making sure that our employees, associates and contractors return home from work safely each day is more important than anything else. We are committed to ensuring zero harm to our employees, associates and contractors and the communities in which we operate. This is integral to our business and is laid down in our health and safety policies, standards and working procedures.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information
1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>The company has made conscious efforts towards the disadvantaged, vulnerable and marginalized stakeholders residing in close proximity of the manufacturing units. The Company deployed need based community programme in the areas of education, health, skill development, sanitation and livelihood improvement. Some of the initiatives taken during the financial year are:</p> <ul style="list-style-type: none"> • Provided food, accommodation and medicines to cancer affected children upto 12 years of age and their parents from rural families. • Community development work • Skill development through vocational training • Free education to children from economically weaker sections of the Society, schedule tribes and other communities • Education of children from economically weaker sections of the Society under inclusion program • Constructed Borewell to overcome water problems for maintaining sanitation and hygiene in the Village

Principle 5: Businesses should respect and promote human rights.

Apcotex recognizes the human rights and treat others with dignity and respect. It believes that it is one's fundamental rights to live with dignity and respect. Company has adopted a Policy on Human Resources and Prevention of Sexual Harassment at Work Place to provide safe and healthy work environment to its employees by establishing a guidelines to deter any sexual harassment at work.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information
1	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company has HR Policy through which it endeavors to protect Human Rights at workplace. The Company's procedures and practices always strives to protect Human Rights even within the organization and all activities undertaken through Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company did not receive any complaints with regards to human rights violation in the FY 2019-20.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

Apcotex is committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any products and services on the ecological environment.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information
1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	The policy related to Principle 6 cover the Company and its other stakeholders to the extent possible.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. Please refer: <ul style="list-style-type: none"> Annexure I to Director Report - Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Annexure IV to Director Report - Corporate Social Responsibility activities
3	Does the company identify and assess potential environmental risks? Y/N	Yes, the Company has mechanism to identify and assess potential environment risks in its various plants.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company has not carried out any particular project related to clean development mechanism, as such there is no environment compliance report filed
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. Please refer annexure I to Director Report - Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, the emissions / waste generated by the Company are well within the permissible limits given by CPCB / SPCB for the financial year under review
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Apcotex engages with industry bodies and associations to influence public and regulatory policy in a responsible manner and advocating best practices for the benefit of society at large.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. <ol style="list-style-type: none"> Bombay Chamber of Commerce and Industry Confederation of Industry association Indian Chemical Council, etc
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No

Principle 8: Businesses should support inclusive growth and equitable development.

Apcotex believes in the principle of trusteeship. Apcotex has from its inception served society by taking forward this philosophy and catalyzing societal welfare through focused projects in the healthcare, education etc especially for the needy and weaker sections of the Society. The company has adopted a CSR policy through which, it undertakes the projects in accordance with Schedule VII of the Companies Act, 2013.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information
1	Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company's CSR programme focuses on education and healthcare for the poor sections of society.
2	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The programmes / projects detailed in point no. 1 have been undertaken through external NGOs / Institutions.
3	Have you done any impact assessment of your initiative?	The management closely monitors the spending of its contributions towards the above social causes and the Company's Director / official are paying regular visits to the projects where the Company has given contribution.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The details of Company's contribution as also the names of the Institutions to whom the contribution is given along with the details of their projects are given in the Annual Report on CSR activities (Please refer Annexure IV to the Directors' Report), which forms part of this Report
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	The Company seeks reports from the institutions the details of their spending from time to time.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Apcotex has long standing relationships with its customers built on the back of a successful track record of delivering the most high performance and cost efficient products. The Company continues to strive to make available goods that are safe, competitively priced, easy to use and safe to dispose off, for the benefit of its customers and end users.

Information with reference to Business Responsibility Report framework:

Sr. No.	Question	Information
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	8% and the same was redressed subsequently
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Yes. Remark: Additional information regarding the product is being provided through Material Safety Data Sheet to all the customers.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey / consumer satisfaction trends?	Yes, as per ISO requirements, Company is conducting consumer satisfaction survey on yearly basis.

INDEPENDENT AUDITOR'S REPORT

To
The Members of Apcotex Industries Limited
Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Apcotex Industries Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31st March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr No.	Key Audit Matter	How our audit addressed the key audit matter
1.	Inventory: Due to COVID – 19 restrictions and lock down the Company was unable to carry out physical verification of inventory as on the year end.	Inventory verification was carried out by the management subsequent to the year end. We have tested the controls of the management over inventory existence during the year of the Company. We have consequently performed alternate audit procedures to audit the existence of inventory
2.	Capitalisation of Property Plant and Equipment (PPE): The Company has invested in PPE during the year ended 31 st March, 2020. The significant level of capital expenditure requires consideration to ensure that the capitalisation of PPE meets the specific recognition criteria in Indian Accounting Standard (Ind AS) 16 Property, Plant and Equipment.	Our audit included assessing the nature of PPE capitalised by the Company to test the validity of the amounts capitalised with source documentation and evaluating whether assets capitalised meet the recognition criteria in Ind AS 16. We have tested the design, implementation and operating effectiveness of controls in respect of capital work in progress and capitalisation of PPE. We have physically verified the existence of PPE.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Business Responsibility report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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.

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

Auditor's Responsibility for the Audit of the Financials Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 the internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "**Annexure B**";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that 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, 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 financial statements – Refer Note 35(a) to the financial statements;
 - (ii) The Company has made provision, as required under the applicable law or Indian accounting standard, for material foreseeable losses, if any on long-term contracts including derivative contracts – Refer Note 38 to the financial statements;
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No: W100188

SHARAD GUPTA
Partner
Membership No: 116560

Place: Navi Mumbai
Dated: 21st May 2020
UDIN: 20116560AAAAAM9435

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 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 to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties and/or lease agreements in case immovable properties are taken on lease are held in the name of the Company, except:

Sr. No.	Total No of cases	Type of Assets	Gross Block as at 31 st March 2020 (₹ in Lakh)	Net Block as at 31 st March 2020 (₹ in Lakh)	Remarks
1	1	Lease Hold Land	458.38	402.35	The Company is in the process of transferring the title deeds in its name

- (ii) The Management has conducted physical verification of the inventories at reasonable intervals. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted any loans secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the parties covered under section 185 of the Act. The company has not given any loans and guarantees but has made investments in the securities of other body corporate within the limits specified by section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Goods and Service Tax, Cess as at 31st March 2020 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Financial Year for which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	302.84	2002-03, 2010-11, 2011-12 & 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8.00	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	105.55	2009-10	Bombay High Court

Maharashtra Value Added Tax	Value Added Tax	1.70	2006-07	Bombay High Court
Maharashtra Value Added Tax	Value Added Tax	110.58	2007-08 to 2011-12 & 2014-15	Joint Commissioner of Sales Tax (Appeals)
Profession Tax	Profession Tax	2.29	2007-08	Assessing Officer
Profession Tax	Profession Tax	0.90	2009-10	Joint Commissioner Appeals
Customs Act	Custom Duty	142.09	2000-01 to 2004-05	Supreme Court
Central Excise Act	Excise Duty	0.13	2007-08	Tribunal
Central Excise Act	Excise Duty	1.59	2009-10 to 2011-12	Deputy Commissioner
Central Excise Act	Service Tax	83.36	2005-06 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Service Tax	18.62	2015-16 to 2016-17	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Service Tax	44.59	2016-17 to 2017-18	Joint Commissioner
Local Body Tax	Local Body Tax	152.17	2016-17	Bombay High Court

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The Company does not have dues to financial institution, government or debenture holders as at the balance sheet date.
- (ix) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were obtained.
- (x) 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per paragraph 3(xii) of the Order is not required.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per paragraph 3(xv) of the Order is not required.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SGD & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No: W100188

SHARAD GUPTA
Partner
Membership No: 116560

Place: Navi Mumbai
Dated: 21st May 2020
UDIN: 20116560AAAAAM9435

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

Report on the Internal Financial Controls 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 **Apcotex Industries Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SGD & ASSOCIATES LLP
Chartered Accountants
Firm’s Registration No: W100188

SHARAD GUPTA
Partner
Membership No: 116560

Place: Navi Mumbai
Dated: 21st May 2020
UDIN: 20116560AAAAAM9435

BALANCE SHEET AS AT 31ST MARCH 2020

(₹ in Lakh)

		Notes	As at 31 st March 2020	As at 31 st March 2019
I	ASSETS			
	NON CURRENT ASSETS			
a)	Property, Plant and Equipment	2	12,390.95	7,499.29
b)	Capital Work in Progress	2	1,934.57	2,119.15
c)	Intangible Assets	3	96.58	142.44
d)	Financial Assets:			
	i) Investments	4	3,335.82	4,278.03
e)	Current tax Assets (net)	5	547.34	382.24
f)	Other Non-Current Assets	6	858.45	1,820.91
			19,163.71	16,242.05
	CURRENT ASSETS			
a)	Inventories	7	5,967.31	4,816.78
b)	Financial Assets:			
	i) Investment	8	2,106.80	2,613.50
	ii) Trade Receivables	9	8,907.41	11,119.35
	iii) Cash and Cash Equivalents	10	1,172.31	570.22
	iv) Other Bank Balances	11	428.44	436.21
	v) Loans	12	33.75	24.69
	vi) Others	13	600.65	401.55
c)	Other Current Assets	14	1,307.77	1,478.13
			20,524.44	21,460.44
	TOTAL ASSETS		39,688.15	37,702.49
II	EQUITY AND LIABILITIES			
	EQUITY			
a)	Equity Share Capital	15	1,036.90	1,036.90
b)	Other Equity	16	24,090.46	26,738.29
			25,127.36	27,775.19
	LIABILITIES			
	NON CURRENT LIABILITIES			
a)	Financial Liabilities:			
	i) Term Loan	17	2,256.70	100.00
	ii) Other Financial Liabilities	18	372.58	345.61
b)	Provisions	19	294.04	276.13
c)	Deferred Tax Liabilities (Net)	20	570.99	136.50
			3,494.31	858.24
	CURRENT LIABILITIES			
a)	Financial Liabilities:			
	i) Borrowings	21	1,893.73	298.54
	ii) Trade Payables			
	Total outstanding dues of Micro Enterprises and Small Enterprises	22	219.44	332.13
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	4,374.45	4,923.92
	iii) Other Financial Liabilities	23	3,741.77	2,412.20
b)	Provisions	24	45.35	44.05
c)	Other Current Liabilities	25	791.74	1,058.21
			11,066.48	9,069.05
	TOTAL EQUITY AND LIABILITIES		39,688.15	37,702.49
	Significant Accounting policies	1.3		
The accompanying notes 1 to 45 are an integral part of these financial statement				

As per our Report of even date
For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Navi Mumbai, Date : 21st May, 2020

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY Director (DIN00059620)

ANAND V. KUMASHI Company Secretary
SURAJ S. BADALE Chief Financial Officer

Navi Mumbai, Date : 21st May, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(₹ in Lakh)

		Notes	For the Year Ended 31 st March 2020	For the Year ended 31 st March 2019
I	Revenue from Operations	26	49,598.14	62,566.65
II	Other Income	27	593.38	769.00
III	Total Income (I + II)		50,191.52	63,335.65
IV	EXPENSES			
	a) Cost of Material Consumed	28A	34,969.96	44,489.65
	b) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress.	28B	(247.43)	(188.70)
	c) Employee benefits expense	29	3,939.71	3,829.22
	d) Finance Costs	30	131.12	180.30
	e) Depreciation and Amortization expense	31	1,339.74	1,179.26
	f) Other expenses	32	7,598.04	7,678.91
	Total Expenses (IV)		47,731.14	57,168.64
V	Profit before Tax (V - VI)		2,460.38	6,167.01
VI	Tax Expense	33		
	a) Current Tax		417.01	2,081.00
	b) Deferred Tax		433.17	(856.22)
	c) Short/Excess Tax provision of earlier years		(52.52)	281.75
	Total Tax Expense (VI)		797.66	1,506.53
VII	Profit for the year from Continuing Operations		1,662.72	4,660.48
VIII	Other Comprehensive Income			
	- Items that will not be reclassified to profit and loss			
	Actuarial gains/(losses) on defined benefit plans		3.76	(36.71)
	FVTOCI - Non Current Investments		(562.88)	-
	Deferred tax relating to Other Comprehensive Income		(1.32)	12.79
	Total Other Comprehensive Income for the year		(560.44)	(23.92)
IX	Total Comprehensive Income for the year		1,102.28	4,636.56
X	Earnings per Equity share of ₹ 2/- each (from continuing operation)			
	- Basic & Diluted	34	3.21	8.99
	Significant Accounting policies	1.3		
The accompanying notes 1 to 45 are an integral part of these financial statement				

As per our Report of even date
For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Navi Mumbai, Date : 21st May, 2020

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY Director (DIN00059620)

ANAND V. KUMASHI Company Secretary
SURAJ S. BADALE Chief Financial Officer

Navi Mumbai, Date : 21st May, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

		(₹ in Lakh)	
		For the Year ended 31 st March 2020	For the Year ended 31 st March 2019
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Profit Before Tax	2,460.38	6,167.01
	Adjustments for :		
	Depreciation and Amortization Expense	1,339.74	1,179.26
	Finance Cost	131.12	180.30
	Foreign Exchange Fluctuation Difference	(194.99)	(231.35)
	Fixed Assets Written off	4.54	21.51
	Loss / (Profit) on Sale of Assets	(89.32)	0.73
	Provision for Bad and Doubtful Debts	18.45	(0.04)
	Net gain on financial assets measured at fair value through Profit and Loss	(17.88)	(219.87)
	Loss / (Surplus) on Sale of Investment	(4.46)	17.69
	Dividend Income	(123.41)	(105.07)
	Interest received	(40.55)	(128.16)
	Income from Rent	(7.09)	(44.46)
	Excess Provision written back	(54.26)	0.40
	Operating Profit Before Working Capital Changes	3,422.27	6,837.95
	Adjustments for :		
	Increase / (Decrease) in Non Current Liabilities	44.88	103.45
	Increase / (Decrease) in Trade Payable and Current Liabilities	(249.95)	1,407.06
	(Increase) / Decrease in Non Current Assets	(87.04)	(889.90)
	(Increase) / Decrease in Inventories	(1,150.53)	113.64
	(Increase) / Decrease in Trade Receivable and Other Current Assets	2,181.92	(2,441.67)
	Cash Flow Generated from Operations	4,161.55	5,130.52
	Direct taxes paid	(529.59)	(1,247.00)
	Net Cash Flow from Operating Activities	3,631.96	3,883.52
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of PPE and intangible assets	(5,022.21)	(2,225.79)
	Proceeds on sale of PPE and intangible assets	117.06	38.52
	Purchase of Investments	(3,972.76)	(3,038.32)
	Sale of Investments	4,488.27	4,149.96
	Dividend Income	123.41	105.07
	Interest received	47.24	131.49
	Income from Rent	7.09	44.46
	Net Cash Used in Investing Activities	(4,211.90)	(794.61)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds / (Repayment) of Short Term Borrowings (Net)	1,595.73	(1,438.24)
	Proceeds from Long Term Borrowings	2,909.76	100.00
	Finance Cost paid	(131.12)	(180.30)
	Dividends paid	(3,059.62)	(1,230.59)
	Dividend Distribution Tax paid	(639.42)	(255.77)
	Net Cash Used in Financing Activities	675.33	(3,004.90)
	Net Increase/ (Decrease) in Cash and Cash Equivalents	95.39	84.01
	Cash and cash equivalents as at 1 st April 2019	3,183.72	3,099.71
	Cash and cash equivalents as at 31 st March 2020	3,279.11	3,183.72

The accompanying notes 1 to 45 are an integral part of these financial statement

(Contd...)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Notes :

- 1 The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - Cash Flow Statement and presents cash flows by operating , investing and financing activities.
- 2 Cash and cash equivalents comprises of :

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Cash and Cash Equivalents	1,172.31	570.22
Current Investment	2,106.80	2,613.50
Cash and cash equivalent in cash flow statement	3,279.11	3,183.72

- 3 Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities are as below:

(₹ in Lakh)

	As at 31 st March 2019	Cash Flow	Non-Cash Changes		As at 31 st March 2020
			Fair Value changes	Current / Non Current classification	
Borrowing- Non Current	100.00	2,909.76	-	-	3,009.76
Borrowing- Current	298.54	1,595.73	-	-	1,893.73

- 4 Figures in the Bracket are outflows / deductions.
- 5 Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation.

As per our Report of even date
For SGD & ASSOCIATES LLP
 Chartered Accountants
 Firm Registration Number: W100188

SHARAD GUPTA
 Partner
 Membership Number: 116560
 Navi Mumbai, Date : 21st May, 2020

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY Director (DIN00059620)

ANAND V. KUMASHI Company Secretary
SURAJ S. BADALE Chief Financial Officer

Navi Mumbai, Date : 21st May, 2020

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2020

A) EQUITY SHARE CAPITAL

(₹ in Lakh)

	Note	Balance
Balance as at 31 st March 2018		1,036.90
Changes in Equity Share Capital during the Year	15	-
Balance as at 31 st March 2019		1,036.90
Changes in Equity Share Capital during the Year	15	-
Balance as at 31st March 2020		1,036.90

B) OTHER EQUITY

(₹ in Lakh)

	Note	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earning	FVTOCI Reserve	Total
Balance as at 31 st March, 2018		4,370.20	0.32	2,599.95	5,222.22	11,409.10	-	23,601.79
Profit for the year FY 18 -19		-	-	-	-	4,660.48	-	4,660.48
Other Comprehensive Income - Remeasurement of net defined benefits plan		-	-	-	-	(23.92)	-	(23.92)
Total Comprehensive Income for the year		-	-	-	-	4,636.56	-	4,636.56
Dividend on Equity Shares for the FY 2017-18		-	-	-	-	(1,244.28)	-	(1,244.28)
Dividend Distribution Tax		-	-	-	-	(255.77)	-	(255.77)
Balance as at 31 st March, 2019	16	4,370.20	0.32	2,599.95	5,222.22	14,545.61	-	26,738.29
Profit for the period ended 31st Mar, 2020		-	-	-	-	1,662.72	-	1,662.72
Other Comprehensive Income - Remeasurement of net defined benefits plan		-	-	-	-	2.44	-	2.44
Transfer to OCI - Fair Valuation		-	-	-	-	-	(562.88)	(562.88)
Realised Profit & Loss on Sale of Investments		-	-	-	-	(407.42)	407.42	-
Total Comprehensive Income for the year		-	-	-	-	1,257.74	(155.46)	1,102.28
Dividend on Equity Shares for the FY 2018 -19		-	-	-	-	(1,555.35)	-	(1,555.35)
Dividend Distribution Tax for FY 18 - 19		-	-	-	-	(319.71)	-	(319.71)
Interim Dividend on Equity Shares for the FY 2019-20		-	-	-	-	(1,555.35)	-	(1,555.35)
Dividend Distribution Tax for FY 2019 - 20		-	-	-	-	(319.71)	-	(319.71)
Balance as at 31st March, 2020	16	4,370.20	0.32	2,599.95	5,222.22	12,053.24	(155.46)	24,090.46

The accompanying notes 1 to 45 are an integral part of these financial statement

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2020 (Contd..)

Nature and purpose of reserves :

- (a) **Capital Reserve** : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- (b) **Capital Redemption Reserve** : The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- (c) **Securities Premium** : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity based (settled) payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.
- (d) **General Reserve** : The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer of one component of equity to another and it is not an item of other comprehensive income, it will not be reclassified subsequently to Profit or Loss.
- (e) **Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (f) **FVTOCI Reserve**: Gain / (Loss) on fair valuation of Non Current Investments classified under FVTOCI.

As per our Report of even date

For SGD & ASSOCIATES LLP

Chartered Accountants

Firm Registration Number: W100188

SHARAD GUPTA

Partner

Membership Number: 116560

Navi Mumbai, Date : 21st May, 2020

For and on behalf of Board of Directors

ATUL C. CHOKSEY Chairman (DIN00002102)

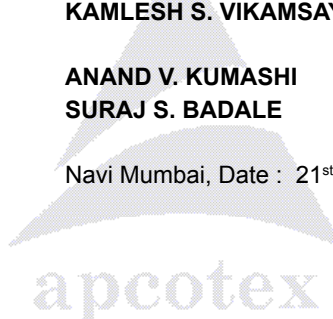
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)

KAMLESH S. VIKAMSAY Director (DIN00059620)

ANAND V. KUMASHI Company Secretary

SURAJ S. BADALE Chief Financial Officer

Navi Mumbai, Date : 21st May, 2020



NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE: 1

1.1 COMPANY INFORMATION:

Apcotex Industries Ltd. is one of the leading producers of Synthetic Lattices (VP Latex, Acrylic Latex, Nitrile Latex) and Synthetic Rubber (HSR, SBR) in India. The Company has one of the broadest ranges of products based on STYRENE – BUTADIENE CHEMISTRY available in the market today. Company's product range is used, among other applications, for TYRE CORD DIPPING, PAPER/PAPER BOARD COATING, CONCRETE MODIFICATION/WATER PROOFING, PAINT EMULSIONS, TEXTILE FINISHING, HAND GLOVES etc. The various grades of Synthetic Rubber find application in products such as Footwear, Automotive components, V-belts, Conveyor belts and hoses. The Registered office of the company is situated at 49-53 Mahaveer Centre, Sector 17, Vashi, Navi Mumbai -400703.

1.2 BASIS OF PREPARATION

These financial statement have been prepared in accordance with the Indian Accounting Standards (herein referred to as 'IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 (as amended).

The financial statement have been prepared and presented under historical cost convention, on accrual and going concern basis of accounting except certain financial asset and liabilities that are measured at fair value at the end of each accounting period as stated in the accounting policies below. The Accounting policies are applied consistently in presenting these financial statement.

The classification of assets and liabilities of the Company into current or non-current is based on the criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statement are approved by the Audit Committee and Board of Directors at their meeting held on 21st May 2020. The Board of Directors of the Company have authorized to issue the financial statement as per decision taken in their meeting held on 21st May 2020.

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1st April, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases 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 recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019. As a result, the comparative information has not been restated. Refer Note 37 for further details.

(a) Functional and Presentation currency:

The financial statement are prepared in Indian Rupees, which is the Functional and Presentation currency for the Company.

(b) Use of Estimates:

The preparation of Financial Statement in accordance with IND AS requires use of estimates and assumptions for some items, which might have effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized, and if material, their effects are disclosed in the notes to financial statement.

Estimates and assumptions are required for:

i. Useful life of PPE:

Determination of estimated useful life of tangible assets and the assessments as to which components of cost may be capitalized. Useful life of tangible fixed assets is based on life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on basis of actuarial assumptions. Key actuarial assumptions include discount rate, salary escalation rate, attrition rate and life expectancy. The discount rate is determined with reference to market yields at the end of reporting period on the government bonds.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

iii. Recognition of deferred tax assets:

A deferred tax asset is recognized for all the deductible temporary differences to the extent that is probable that taxable profits will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

iv. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the Balance Sheet date. The actual outflow of resources at future date may vary from the figure included in other provisions.

v. Discounting of long-term financial liabilities:

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are subsequently measured at amortized cost, interest is accrued using the effective interest method.

vi. Determining whether an arrangement contains a lease:

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the company concludes for a finance lease that it is impracticable to separate the payments reliably then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

vii. Fair value of financial instruments:

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts and options. Fair value of Foreign Currency Forward Contracts is determined using the rates published by Reserve Bank of India / State Bank of India.

viii. Current Vs. Non-Current classification:

I. An asset is classified as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.
2. Held primarily for purpose of trading.
3. Expected to be realized within twelve months after the reporting period or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non – current.

II. A liability is classified as current when it is:

1. Expected to be settled in normal operating cycle.
2. Held primarily for purpose of trading.
3. Due to be settled within twelve months after the reporting period or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

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

1.3 Significant accounting policies:

I. Property Plant and Equipment

a) Initial and subsequent recognition and CWIP:

Property Plant & Equipment are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment, if any. The cost of items of Property Plant & Equipment includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant asset heads.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit and loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of the cost of Property Plant and Equipment that are not ready for their intended use at the reporting date. Any gain or loss on de-recognition (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss when the asset is derecognized.

b) Depreciation & Amortization:

Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

c) Impairment:

The carrying amounts of the Company's tangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

II. Intangible Assets:

a) Initial and subsequent recognition:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Separately purchased intangibles are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The useful lives of intangible assets is assessed as either finite or infinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Estimated useful lives of finite-life intangible assets is as follows:

Computer Software – 3 years

b) Amortization:

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

III. Investments property

a) Initial and subsequent recognition:

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

b) Depreciation:

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act, 2013.

c) De-recognition:

Investment properties are derecognized either when they have been disposed of or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

IV. Inventories:

Inventories are valued at lower of Cost and Net Realizable Value.

The cost is determined as follows:

- a) Raw and Packing Materials are valued at cost or market value, whichever is lower, computed on weighted average basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes, which are subsequently recoverable.
- b) The finished goods inventory is valued at cost or net realizable value whichever is lower. Cost includes material cost, conversion, appropriate factory overheads, any tax or duties (as applicable) and other costs incurred in bringing the inventories to their present location and condition.
- c) Work-in-Process is valued at material cost and cost of conversion appropriate to their location in the manufacturing cycle.
- d) Stores, Spares and consumables are valued at cost, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable, if any.

Slow-moving and damaged, unserviceable stocks are adequately provided wherever considered necessary.

V. Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of Cash Flow Statement includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less and which are subject to an insignificant risk of changes in value.

VI. Non-current Assets held for sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

- (i) decision has been made to sell
- (ii) the assets are available for immediate sale in its present condition
- (iii) the assets are being actively marketed
- (iv) sale has been agreed or expected to be concluded within 12 months of the Balance Sheet date

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.

VII. Borrowing costs:

Borrowing costs, if any, directly attributable to the acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are charged to statement of profit and loss. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing cost.

General Borrowing cost incurred in connection with qualifying assets is capitalized by applying the capitalization rate on the quantum of such borrowings utilized for such assets.

VIII. Revenue recognition:

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Dividend income is recognized in statement of profit and loss only when the right to receive payment is established, which is generally when shareholders approve dividend.

Export incentives receivable under Duty Drawback Scheme and MEIS are accounted on accrual basis.

Interest income is recognized using the effective interest rate (EIR) method.

Insurance claims are recognized post filing of the claim with the insurer.

IX. Foreign Currency Transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognized in the Statement of Profit and Loss.

The Exchange Rate Difference and the forward premium on the loan taken for capital assets are being capitalized along with Interest till the date of commissioning of the said capital assets.

X. Employee Benefits:

a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Long term employee benefits:

i) Defined contribution plans:

Contributions to defined contribution schemes such as employees state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and is charged as an expense in the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

ii) Defined benefit plans:

The Company operates a defined benefit gratuity plan, which required contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately, in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment or
- the date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of Profit and Loss:

- service costs comprising current service costs, pasts service costs, gains and losses on curtailments and non-routine settlements.
- Net Interest expense or income.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

c) Termination benefits:

Termination benefits in the nature of voluntary retirement benefits or termination benefits arising from restructuring are recognized in the Statement of Profit or Loss. The Company recognizes termination benefits at the earlier of the following dates:

- when the Company can no longer withdraw the offer of these benefits
- when the company recognizes costs for restructuring that is within the scope of IND AS 37 and involves the payment of termination benefits.

XI. Fair Value Measurement:

The Company measures financial instruments at fair value on each Balance Sheet date. Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in absence of principal market, in the most advantageous market for asset or liability. The principal or the most advantageous market should be accessible to the Company.

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted market prices in active market for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

External valuers are involved for valuation of significant assets, such as properties, unquoted financial assets etc. Involvement of independent external valuers is decided upon annually by the Company. Further such valuation is done annually at the end of the financial year and the impact if any on account of such fair valuation is taken in the annual financial statement.

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

XII. Leases:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1st April, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than Rs. 1,00,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

XIII. Financial Instruments:

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

a) Financial Assets:

i) Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets are recognized at fair value. In case of financial assets which are recognized at Fair Value through Profit and Loss (FVTPL), its transaction costs are recognized in the statement of profit and loss. In other cases, transaction costs are attributable to the acquisition value of the financial asset are added to the value of financial asset.

Financial assets are not reclassified subsequent to their recognition, except and if and in the period the Company changes its business model for managing financial assets.

ii) Subsequent measurement:

Financial assets are subsequently classified and measured at:

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCL)

Investments in Debt Instruments:

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

a) Financial Assets measured at amortized cost:

Financial assets are measured at amortized cost when the asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the assets are such that they give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. The losses from impairment are recognized in the statement of profit and loss.

b) Financial Assets measured at fair value through OCI (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

c) **Financial Assets measured at fair value through profit and loss:**

Financial Assets under this category are measured initially as well as at each reporting date at fair value, with all changes recognized in statement of profit and loss.

Investments in Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, chooses to measure the same either at FVTOCI or FVTPL, which is done on an instrument-by-instrument basis.

Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure irrevocably such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss even on the sale of investment. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

Investment in Subsidiary, Joint Venture and Associate

Investments in equity instruments of Subsidiaries are measured at costs. Provision for impairment loss on such investment is made only when there is a diminution in the value of investment which is other than temporary.

iii) **Derecognition of Financial Assets:**

A financial asset is derecognized only when the contractual rights to receive cash flows from the asset have expired or the Company has transferred the financial asset and substantially all the risks and rewards of ownership of the asset.

iv) **Impairment of Financial Assets:**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies simplified approach which requires lifetime ECL allowances to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk lifetime ECL is used.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

b) **Financial Liabilities:**

i) **Initial recognition and measurement:**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

ii) **Subsequent measurement:**

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Loans and borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iii) Derecognition:

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

XIV. Derivatives:

The Company enters into various derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

XV. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent Assets are not recognized but disclosed in the Financial Statement when economic inflow is probable.

XVI. Segment Information:

The Managing Director (MD) is designated as company's Chief Operating Decision Maker (CODM). The MD reviews the company's internal financial information for the purpose of evaluating performance and assigning resources to segments. The Company has determined the operating segment based on structure of reports reviewed by MD. The Company operates in a single primary business segment, i.e. Synthetic Lattices & Rubber.

XVII. Income taxes:

Income tax expense for the year comprises of current tax and deferred tax, recognized in the Statement of Profit and Loss, except to the extent it relates to a business combination, or items recognized directly in equity or in other Comprehensive Income. Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Deferred tax assets deriving from carry forward of unused tax credits (including MAT) and unused tax losses are recognized to the extent that it is probable that future taxable profit will be available in future against which the deductible temporary differences, unused tax losses and credits can be utilized. Deferred tax relating to items recognized in other comprehensive income and directly in equity is recognized in correlation to the underlying transaction.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

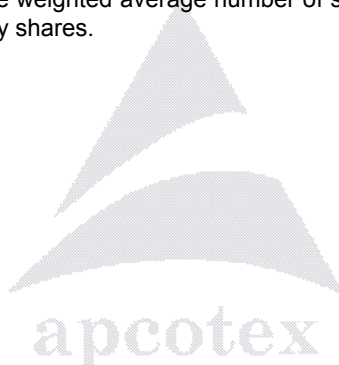
XVIII. Research and Development:

Expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred, with the exception of:

- expenditure incurred in respect of major new products where the outcome of these projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalized and depreciated over useful life. Capital expenditure in respect of assets used for conducting research activities are capitalized under respective heads of Property Plant and Equipment. These assets are depreciated over their useful life.

XIX. Earnings per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 2 : NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Land- Freehold	Land- Leasehold	ROU Lease Assets	Buildings	Plant & Equipments	Furnitures & Office Equipments	Vehicles	Scientific Equipments	Electric & Pipe Fittings	Wind Turbine Generator	Total	Capital work in progress
Gross carrying amount:												
Balance as at 31 st March, 2018	5.33	850.38	-	2,291.58	4,881.70	165.07	180.92	149.85	963.15	430.29	9,918.26	912.42
Additions	-	-	-	327.28	338.23	80.77	45.97	24.02	52.17	-	868.44	-
Transfer from Investment Property	-	-	-	32.69	-	-	-	-	-	-	32.69	-
Deductions	(5.33)	(16.45)	-	(7.92)	(43.15)	-	-	-	-	-	(72.85)	-
Balance as at 31 st March, 2019	-	833.93	-	2,643.63	5,176.78	245.84	226.89	173.87	1,015.32	430.29	10,746.55	2,119.15
Additions	-	58.45	26.88	1,211.73	4,532.85	74.54	135.44	66.69	110.88	-	6,217.46	-
Transfer from Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	(24.89)	(47.85)	(4.26)	(9.72)	-	(0.60)	-	(87.32)	-
Balance as at 31st March, 2020	-	892.38	26.88	3,830.47	9,661.77	316.12	352.61	240.56	1,125.60	430.29	16,876.68	1,934.57
Accumulated Depreciation												
Balance as at 31 st March, 2018	-	20.61	-	199.96	1,320.73	66.83	12.09	36.06	392.52	53.01	2,101.81	-
Additions	-	11.32	-	126.35	613.19	37.81	30.54	18.33	270.56	26.52	1,134.61	-
Transfer from Investment Property	-	-	-	21.42	-	-	-	-	-	-	21.42	-
Deductions	-	(2.14)	-	(2.22)	(6.22)	-	-	-	-	-	(10.58)	-
Balance as at 31 st March, 2019	-	29.80	-	345.51	1,927.71	104.63	42.63	54.38	663.07	79.53	3,247.26	-
Additions	-	11.80	2.69	152.58	742.82	36.14	34.55	22.80	250.70	26.52	1,280.59	-
Transfer from Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	(1.11)	(29.92)	(3.36)	(7.14)	-	(0.59)	-	(42.11)	-
Balance as at 31st March, 2020	-	41.60	2.69	496.97	2,640.61	137.41	70.04	77.18	913.18	106.04	4,485.73	-
Net carrying amount:												
Balance as at 31 st March, 2018	5.33	829.77	-	2,091.62	3,560.97	98.25	168.83	113.80	570.63	377.28	7,816.46	912.42
Balance as at 31 st March, 2019	-	804.13	-	2,298.12	3,249.07	141.21	184.26	119.49	352.25	350.76	7,499.29	2,119.15
Balance as at 31st March, 2020	-	850.78	24.19	3,333.49	7,021.16	178.70	282.57	163.38	212.42	324.25	12,390.95	1,934.57

Note:

The Company is in process of registering Title deeds of the following immovable property in the Company's name. This property was acquired on amalgamation of Apcotex Solution Pvt. Ltd with the Company.

Type of Assets	Number of cases	Gross Block as at 31 st March, 2020	Net Block as at 31 st March, 2020	Remarks
Lease Hold Land (At Valia)	1	458.38	402.35	Company has received the allotment letter from GIDC. Company is in the process of transferring the title deeds.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 3: NON-CURRENT ASSETS INTANGIBLE ASSETS

(₹ in Lakh)

	Computer Software	Total
Gross carrying amount		
Balance as at 31 st March, 2018	102.93	102.93
Additions	150.50	150.50
Deductions	-	-
Balance as at 31 st March , 2019	253.43	253.43
Additions	13.67	13.67
Deductions	(12.93)	(12.93)
Balance as at 31st March , 2020	254.17	254.17
Accumulated Amortization:		
Balance as at 31 st March, 2018	66.43	66.43
Additions	44.56	44.56
Deductions	-	-
Balance as at 31 st March , 2019	110.99	110.99
Additions	59.16	59.16
Deductions	(12.55)	(12.55)
Balance as at 31st March , 2020	157.60	157.60
Net carrying amount:		
Balance as at 31 st March, 2018	36.50	36.50
Balance as at 31 st March , 2019	142.44	142.44
Balance as at 31st March , 2020	96.58	96.58



NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 4: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS

		As at 31 st March 2020		As at 31 st March 2019	
		Units	Amount (₹ in Lakh)	Units	Amount (₹ in Lakh)
A	QUOTED INVESTMENTS				
i)	INVESTMENTS IN EQUITY INSTRUMENTS (at Fair Value Through Other Comprehensive Income)				
1	Astral Poly Technik Ltd of the face value of ₹ 1/- fully paid	452	4.23	-	-
2	AU Small Finance Bank Ltd of the face value of ₹ 10/- fully paid	440	2.22	-	-
3	Sterling And Wilson Solar Ltd of the face value of ₹ 1/- fully paid	83	0.06	-	-
4	Dabur India Ltd of the face value of ₹ 1/- fully paid	1,373	6.18	-	-
5	Britannia Industries Ltd of the face value of ₹ 1/- fully paid	218	5.86	-	-
6	Asian Paints Ltd of the face value of ₹ 1/- fully paid	41,169	686.07	40,800	609.02
7	Axis Bank of the face value of ₹ 2/- fully paid	5,000	18.95	5,000	38.86
8	Cadila Healthcare Ltd. of the face value of ₹ 5/- fully paid	-	-	9,750	33.84
9	Kotak Mahindra Bank of the face value of ₹ 5/- fully paid	707	9.16	9,820	131.05
10	Dalmia Bharat Ltd. of the face value of ₹ 2/- fully paid	213	1.04	5,775	57.14
11	Indusind Bank of the face value of ₹ 10/- fully paid	-	-	6,175	109.92
12	Raymond Ltd. of the face value of ₹ 10/- fully paid	-	-	4,425	35.91
13	ICICI Bank Ltd of the face value of ₹ 2/- fully paid	12,377	40.07	28,665	114.80
14	Havells India Ltd. of the face value of ₹ 1/- fully paid	942	4.53	12,650	97.72
15	Maruti Suzuki of the face value of ₹ 5 /- fully paid	-	-	600	40.04
16	Aegis Logistics Ltd. of the face value of ₹1/- fully paid.	-	-	29,225	59.39
17	Sun TV Network Ltd. the face value of ₹5 /- fully paid.	-	-	10,625	66.74
18	Bajaj Finance Ltd of the face value of ₹ 10/- fully paid	969	21.47	1,425	43.11
19	Indo Count Industries Ltd of the face value of ₹ 10/- fully paid	-	-	37,400	18.21
20	Balkrishna Industries Ltd. of the face value of ₹ 10/- fully paid	-	-	4,125	41.06
21	Bajaj Electrical Ltd. of the face value of ₹ 10/- fully paid	-	-	10,025	55.95
22	Sundram Fasteners Ltd. of the face value of ₹ 10/- fully paid	-	-	7,675	43.48
23	Vedanta Ltd of the face value of ₹ 10/- fully paid	-	-	23,325	43.02
24	KEC International Ltd. of the face value of ₹ 2/- fully paid	-	-	24,226	72.62
25	Kalpataru Power Transmission Ltd of the face value of ₹ 2/- fully paid	22,885	41.80	21,400	100.57
26	Ramco Cements of the face value of ₹ 1/- fully paid	6,162	31.60	6,162	45.35
27	Bajaj Finserv Ltd of the face value of ₹ 5/- fully paid	146	6.70	-	-
28	Biocon Ltd. of the face value of ₹ 5/- fully paid	9,670	26.16	-	-
29	TV18 Broadcast Ltd. of the face value of ₹ 2/- fully paid	-	-	48,830	17.33
30	Federal Bank of the face value of ₹ 2/- fully paid	-	-	66,351	64.00
31	Simplex Infrastructures Ltd of the face value of ₹ 2/- fully paid	-	-	13,950	25.09
32	Carborundum Universal Ltd. of the face value of ₹1 /- fully paid.	-	-	20,000	82.07
33	Tech Mahindra of the face value of ₹ 5/- fully paid	4,339	24.54	16,120	125.08
34	Mahindra CIE Automotive Limited the face value of ₹10/- fully paid.	-	-	24,925	58.45

(Contd...)

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 4: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS

		As at 31 st March 2020		As at 31 st March 2019	
		Units	Amount (₹ in Lakh)	Units	Amount (₹ in Lakh)
35	Gujarat GAS Ltd. of the face value of ₹ 2/- fully paid	-	-	20,000	29.62
36	Container Corporation of India of the face value of ₹ 5/- fully paid	743	2.46	9,537	50.10
37	Bajaj Auto Ltd of the face value of ₹ 10/- fully paid	975	19.72	1,175	34.21
38	Mahindra and Mahindra Limited of the face value of ₹5/- fully paid	-	-	11,590	78.11
39	UPL Ltd of the face value of ₹2/- fully paid	-	-	10,325	99.00
40	Cholamandalam Investment and Finance Company of the face value of ₹ 2/- fully paid	2,031	3.10	-	-
41	Coromandel International Limited of the face value of ₹ 1/- fully paid	7,035	38.43	-	-
42	Delta Corp Ltd of the face value of ₹ 1/- fully paid	1,405	0.92	-	-
43	Divi's Laboratories Limited of the face value of ₹ 2/- fully paid	2,535	50.42	-	-
44	Avenue Supermarts Ltd of the face value of ₹ 10/- fully paid	155	3.39	-	-
45	Godrej Consumer Products Ltd of the face value of ₹ 1/- fully paid	613	3.19	-	-
46	HDFC Bank Limited of the face value of ₹ 1/- fully paid	748	6.45	-	-
47	Hindustan Unilever Ltd of the face value of ₹ 1/- fully paid	281	6.46	-	-
48	IPCA Laboratories Ltd of the face value of ₹ 1/- fully paid	169	2.35	-	-
49	Multi Commodity Exchange Of India Ltd of the face value of ₹ 10/- fully paid	312	3.51	-	-
50	Menon Bearings Limited of the face value of ₹ 1/- fully paid	1,200	0.37	-	-
51	MRF Ltd of the face value of ₹ 10/- fully paid	8	4.65	-	-
52	Page Industries Ltd of the face value of ₹ 10/- fully paid	25	4.24	-	-
53	PI Industries of the face value of ₹ 1/- fully paid	442	5.17	-	-
54	Pidilite Industries Ltd of the face value of ₹ 1/- fully paid	450	6.10	-	-
55	Shree Cements Ltd of the face value of ₹ 10/- fully paid	22	3.86	-	-
56	Sun Pharmaceutical Industries Limited of the face value of ₹ 1/- fully paid	14,960	52.70	-	-
57	Tata Elxsi of the face value of ₹ 10/- fully paid	8,660	54.48	-	-
58	TCNS Clothing Co Ltd of the face value of ₹ 2/- fully paid	337	1.11	-	-
59	Titan Company Ltd of the face value of ₹ 1/- fully paid	783	7.31	-	-
60	Torrent Power Limited of the face value of ₹ 10/- fully paid	142	0.40	-	-
61	United Spirits LTD of the face value of ₹ 2/- fully paid	677	3.28	-	-
62	Varun Beverages of the face value of ₹ 10/- fully paid	590	3.12	-	-
63	Videocon Industries Limited of the face value of ₹ 10/- fully paid	129	0.00	-	-
64	Zee Entertainment Enterprise of the face value of ₹ 1/- fully paid	48	0.06	-	-
			1,217.93		2,520.83

(Contd...)

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 4: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS

		As at 31 st March 2020		As at 31 st March 2019	
		Units	Amount (₹ in Lakh)	Units	Amount (₹ in Lakh)
ii)	INVESTMENTS IN MUTUAL FUNDS (at Fair Value Through Other Comprehensive Income)				
1	DHFL Pramerica GILD FUND (formerly known as DWS Gilt Fund - Growth)	-	-	4,39,413	88.86
2	SBI Bluechip Fund - Regular Plan (GR)	-	-	3,77,890	148.17
3	Mirae Assets India Opportunities Fund - Regular - Growth Plan	-	-	4,83,041	247.18
4	Kotak Select Focus Fund-Growth (Regular Plan)	84,921	22.94	8,45,542	299.98
5	IDFC Corporate Bond Regular Plan (G)	7,62,334	105.06	18,46,045	234.96
6	ICICI Prudential Bond Fund-Growth	3,34,707	95.74	8,62,150	221.97
7	HDFC Corporate Debt Opp. Fund	-	-	4,38,754	66.93
8	DSP Black Rock Focus 25 Fund - Regular Plan - Growth	-	-	4,10,367	94.65
9	Birla AIF - India Small and Mid Cap Gems Fund (GR)	2,00,000	163.18	2,00,000	181.89
10	Motilal Oswal AIF - Focussed Business Advantage Fund (GR)	15,00,000	142.83	15,00,000	172.62
11	Aditya Birla Sun Life Banking & PSU Debt Fund - Growth-Direct Plan	31,338	83.66	-	-
12	Aditya Birla Sun Life Corporate Bond Fund - Growth-Direct Plan	95,492	75.33	-	-
13	Axis Overnight Fund Direct Growth	4,263	45.00	-	-
14	Franklin India Prima Fund - Direct - GROWTH	3,908	29.08	-	-
15	HDFC Low Duration Fund -Direct Plan - Daily Dividend	20,29,241	204.25	-	-
16	HDFC Low Duration Fund-Direct Plan-Weekly Dividend	28,74,859	294.14	-	-
17	HDFC Small Cap Fund-Direct Growth Plan	87,509	24.60	-	-
18	HDFC Small Cap Fund-Regular Plan-Growth Plan	67,505	17.55	-	-
19	ICICI Prudential Bond Fund-Direct Plan-Growth	5,09,402	150.28	-	-
20	ICICI Prudential Passive Strategy Fund-Direct Plan-Growth	1,24,075	62.98	-	-
21	ICICI - Prudential Passive Strategy Fund-Growth	44,977	22.16	-	-
22	ICICI Prudential Nifty Index Fund-Direct Plan Growth	35,172	30.25	-	-
23	IDFC Banking and Psu Debt Fund-Direct Plan-Growth	8,86,567	159.26	-	-
24	ICICI Prudential Nifty 50 Index Fund-Direct Plan Growth	1,81,324	34.98	-	-
25	ICICI Prudential Overnight Fund Direct Plan Growth	83,529	90.00	-	-
26	Kotak Corporate Bond Fund Direct Growth	2,692	74.29	-	-
27	L&T Banking and Psu Debt Fund Direct Plan-Growth	8,95,798	166.31	-	-
28	SBI Magnum Multicap Fund-Direct Plan-Growth	60,905	24.03	-	-
			2,117.89		1,757.20

(Contd...)

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 4: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS

		As at 31 st March 2020		As at 31 st March 2019	
		Units	Amount (₹ in Lakh)	Units	Amount (₹ in Lakh)
B	UNQUOTED INVESTMENTS				
i)	INVESTMENTS IN EQUITY INSTRUMENTS (at Fair Value Through Other Comprehensive Income)				
1	Narmada Clean Tech Limited of Rs 10/- each fully paid up	2,47,500	-	2,47,500	-
2	Bharuch Enviro Infrastructure Limited of ₹10/- each fully paid up	1,751	-	1,751	-
3	Kesoram Textile Mills Ltd of the face value of ₹ 10/- fully paid	300	-	300	-
4	Computech International Ltd of the face value of ₹ 5/- fully paid	100	-	100	-
5	Consortex Karl Doelitz (India) Ltd of the face value of ₹ 10/- fully paid	2,000	-	1,000	-
6	Skylid Telecom Equipments Ltd of the face value of ₹ 10/- fully paid	1,000	-	1,000	-
7	Cybele Paradise Pvt Ltd. of ₹10/- fully paid	1,20,000	-	1,20,000	-
	TOTAL INVESTMENTS		3,335.82		4,278.03
	Aggregate amount of quoted investments		3,335.82		4,278.03
	Aggregate amount of unquoted investments		-		-

Note:

- i. All investments classified under financial assets are initially measured at fair value. The Company, on initial recognition, chooses to measure the same either at FVTOCI or FVTPL, which is done on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure irrevocably such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss even on the sale of investment. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.
- ii. Company has invested ₹ 4,278.03 Lakh into various equity instruments (including quoted equity instruments on recognized stock exchanges) and mutual funds as on 31st March, 2019. The said investments are being held on a long term basis and classified as Non Current Assets in line with the objective of the management. In order to eliminate / reduce the impact of the notional gain / loss arising on account of Mark to Market Valuation of Quoted Instruments in the Statement of Profit & Loss, the company has adopted a change in the classification during the year of the said long term instruments from Fair Value Through Profit & Loss (FVTPL) to Fair value Through Other Comprehensive Income (FVTOCI).

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 5 : NON CURRENT ASSETS - CURRENT TAX ASSETS (NET)

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
i. Income Tax paid against disputed liability	208.33	208.33
ii. Advance payments of Income Tax (Net of Provisions)	339.01	173.91
Total	547.34	382.24

NOTE 6: NON CURRENT ASSETS - OTHER NON-CURRENT ASSET

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
(i) Capital Advances		
Considered Good, Unsecured	215.55	1,201.30
	215.55	1,201.30
(ii) Advances other than capital advances		
a. Security Deposits		
Considered Good, Unsecured	385.95	378.52
	385.95	378.52
b. Other Advances		
i. Balance with Excise & Service Tax	3.01	3.01
ii. Excise Duty, Sales Tax etc under protest	50.02	35.05
iii. VAT Tax Refund Receivable*	203.91	203.04
Total	858.45	1,820.91
Note:	* As the Company is entitled for refund in monetary terms, the refund claimed towards VAT in states of Maharashtra & Gujarat (i.e. excess input tax credit over tax liability) as per extant provisions of MVAT & GVAT Act.	

NOTE 7 : CURRENT ASSETS - INVENTORIES

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
i. Raw Materials	3,122.93	2,243.49
ii. Packing Materials	73.58	69.74
iii. Stores and Spares	477.69	457.87
iv. Finished Goods	2,293.10	2,045.68
Total	5,967.31	4,816.78
Inventory includes:		
In Transit		
- Raw Materials	1,103.95	330.45
- Finished Goods	-	27.07
Note : Inventory is valued at cost or net realisable value whichever is lower		

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 8 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Investment in Liquid Mutual Funds (At Fair Value Through Profit and Loss)*	2,106.80	2,613.50
Total	2,106.80	2,613.50

	As at 31 st March 2020		As at 31 st March 2019	
	Unit	Amount (₹ in Lakh)	Unit	Amount (₹ in Lakh)
*Details of investment in Liquid Mutual funds:				
IDFC Low Duration Fund - Daily Dividend- (Regular Plan)	56,30,876	569.34	43,36,793	436.93
Edelweiss Liquid Fund-Regular Plan Growth	4,237	107.37	4,237	101.16
Axis Liquid Fund Weekly Dividend Reinvestment	-	-	2,272	22.81
SBI Liquid Fund Direct Daily Dividend	1,791	17.97	84	0.84
HDFC Ultra Short Term Fund-Direct Weekly Dividend	53,66,675	543.38	51,31,169	516.99
Aditya Birla Sun Life Liquid Fund-Daily Dividend-Regular Plan	-	-	2,63,612	264.25
HDFC Low Duration Fund-Retail-Regular Plan-Weekly Dividend	-	-	1,24,74,010	1,270.52
Axis Liquid Fund-Direct Plan-Daily Dividend Reinvestment	35,025	350.58	-	-
Axis Short Term Fund-Direct Plan-Growth	8,63,029	201.74	-	-
Franklin India Liquid Fund-Super Institutional Plan-Direct	1,122	11.47	-	-
HDFC Liquid Fund-Direct Plan-Dividend-Daily Reinvest	2,424	24.72	-	-
ICICI Prudential Liquid Fund - Direct Plan - Daily Dividend	17,247	17.27	-	-
IDFC Bond Fund-Short Term Plan-Growth-(Direct Plan)	2,57,834	111.80	-	-
Kotak Bond Fund (Short Term) - Direct Plan - Growth	3,76,794	151.15	-	-
Reliance ETF Liquid BeES	1	0.01	-	-
Total		2,106.80		2,613.50

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 9 : CURRENT ASSETS- FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Trade Receivables:		
Trade Receivables Credit Impaired	377.90	396.86
Less : Provision for Doubtful Debt / Credit Impaired	(377.90)	(396.86)
	-	-
(Unsecured unless otherwise stated)		
Considered good-Unsecured	8,936.42	11,129.91
Less : Provision for expected credit loss*	(29.01)	(10.56)
Total	8,907.41	11,119.35
Note:	* The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix, which takes into account historical credit loss experience. The expected credit loss (ECL) allowance is based on total receivables that are due and the rate given in provisional matrix. The provisional matrix at the end of the reporting period is as follows:	
ECL %	0.32	0.10
Movement in ECL allowance (₹ Lakh)		
Balance at beginning of year	10.56	10.19
Movement	18.45	0.36
Balance at end of the year	29.01	10.56

NOTE 10 : CURRENT ASSETS- FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Cash on hand	10.24	8.73
A.Balances with Banks:		
i. In current accounts	880.82	341.04
ii. EEFC	281.24	220.45
Total	1,172.31	570.22
Note:	The above cash and bank balances have not been pledged	

NOTE 11 : CURRENT ASSETS- FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Other Bank Balances		
Earmarked balances with banks:		
i. Margin money deposits	281.38	340.30
ii. Unpaid dividend*	146.99	95.92
iii. Unpaid Fractional Shares	0.06	-
Total	428.44	436.21
Note:	* No amounts due to Investor Education & Protection Fund	

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 12 : CURRENT ASSETS- FINANCIAL ASSETS - LOANS

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Considered good, Unsecured		
Loans to Employees	33.75	24.69
Total	33.75	24.69

NOTE 13 : CURRENT ASSETS- FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Considered good, Unsecured		
Interest Receivable	11.59	18.28
Discount Receivable	561.40	359.16
Receivable towards services provided	27.67	24.12
Total	600.65	401.55

NOTE 14 : CURRENT ASSETS- OTHER CURRENT ASSETS

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Considered good, Unsecured		
Advances to vendors	756.66	1,274.04
GST Receivable	495.09	117.74
Advance to employees	13.11	14.31
Export benefits receivable	37.78	33.75
Other Receivable	5.13	38.30
Total	1,307.77	1,478.13

NOTE 15 : EQUITY- EQUITY SHARE CAPITAL

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Authorised		
157,900,000 Equity Shares of ₹ 2/- each (63,160,000 Equity Shares of ₹ 5/-each)*	3,158.00	3,158.00
500 Preference Shares of ₹100/- each (500 Preference Shares of ₹ 100/- each)	0.50	0.50
1,25,000 Unclassified Shares of ₹ 2/- each (50,000 Unclassified Shares of ₹ 5/- each)**	2.50	2.50
	3,161.00	3,161.00
Issued, Subscribed and Paid up capital		
51,844,960 Equity Shares of ₹ 2/- each fully paid (20,737,984 Equity Shares of ₹ 5/- each-Refer Note 15(a))	1,036.90	1,036.90
Total	1,036.90	1,036.90

Note:

*Pursuant to the sub-division of the Equity Shares of the Company, the 63,160,000 Authorised Equity Shares of the nominal value of ₹ 5/- each have been sub-divided into 157,900,000 Equity Shares of the nominal value of ₹ 2/- each.

** 50,000 Unclassified shares of nominal value ₹ 5/- each of have been subdivided into 1,25,000 Unclassified shares of ₹ 2/- each.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

a) Reconciliation of the number of shares

Equity Shares :	As at 31 st March 2020		As at 31 st March 2019	
	Number of Shares	Amount (₹ in Lakh)	Number of Shares	Amount (₹ in Lakh)
Balance as at the beginning of the year	20,737,984	1,036.90	20,737,984	1,036.90
Add : Increase in the no. of shares on sub-division of equity share of face value ₹ 5 each into face value of ₹ 2 each during the year	31,106,976	-	-	-
Balance as at the end of the year	51,844,960	1,036.90	20,737,984	1,036.90

b) Shareholders holding more than 5% shares in the Company

Shares held by:	As at 31 st March 2020		As at 31 st March 2019	
	Number of Shares	% Holding	Number of Shares	% Holding
Atul Choksey	78,91,530	15.22	31,10,700	15.00
Parul Atul Choksey	73,82,402	14.24	29,11,761	14.04
Abhiraj Choksey	68,42,581	13.20	27,10,287	13.06
Devanshi Anant Veer Jalan	57,02,944	11.00	22,81,178	11.00

Note:

The Company vide resolution passed at Annual General Meeting of the Company held on 4th June, 2019, approved the sub-division of each equity share of face value ₹ 5 each into face value of ₹ 2 each on 5th July, 2019 (Record Date).

c) Rights, Preference & Restrictions attached to Equity Shares

The Company has one class of share having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The Board recommended approval of the interim dividend paid during the year as the final dividend for the financial year 2019-20 in the ensuing Annual General Meeting. 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 to their shareholding.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 16 : EQUITY-

OTHER EQUITY

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Capital Reserve	4,370.20	4,370.20
Capital Redemption Reserve	0.32	0.32
Securities Premium	2,599.95	2,599.95
General Reserve	5,222.22	5,222.22
Retained Earning	12,053.24	14,545.61
FVTOCI Reserve	(155.46)	-
Total	24,090.46	26,738.29

Note:

Refer Statement of Changes in Equity for detailed breakup.

Nature and purpose of reserves :

- Capital Reserve** : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- Capital Redemption Reserve** : The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- Securities Premium** : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity settled based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.
- General Reserve** : The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer of one component of equity to another and it is not an item of other comprehensive income, it will not be reclassified subsequently to Profit or Loss.
- Retained Earning** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- FVTOCI Reserve**: Gain / (Loss) on fair valuation of Non Current Investments classified under FVTOCI.

NOTE 17 : NON CURRENT LIABILITIES

FINANCIAL LIABILITIES- TERM LOAN

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Term Loan from Bank-Secured*	2,256.70	100.00
Total	2,256.70	100.00

Note :

*Term Loans from banks is secured by first parri passu charge over moveable fixed assets (Plant and Machinery) and immovable fixed assets (Factory land and Building) on the plant located at Taloja Maharashtra. The credit facilities availed by the Company carry interest in the range of 8.00 % p.a. to 10.00% p.a. Term Loan is repayable in quarterly installments from the year from F.Y 2020-21 over a period of 4 years.

NOTE 18 : NON CURRENT LIABILITIES-

FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Security Deposits	347.91	345.61
Lease Liabilities	24.67	-
Total	372.58	345.61

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 19 : NON CURRENT LIABILITIES - PROVISIONS

	(₹ in Lakh)	
	As at 31 st March 2020	As at 31 st March 2019
Employee Benefit Obligations		
Compensated absences	294.04	276.13
Total	294.04	276.13
Notes:		
Details of provisions for Compensated absences		
Opening balance - Long Term	276.13	219.64
Opening balance - Short Term	44.05	35.24
Add: Provision made during year	41.51	77.97
Less: Utilisation during the year	(22.30)	(12.66)
Closing Balance - Long Term	294.04	276.13
Closing Balance - Short Term	45.35	44.05

NOTE 20 : NON CURRENT LIABILITIES- DEFERRED TAX LIABILITIES (NET)

	(₹ in Lakh)	
	As at 31 st March 2020	As at 31 st March 2019
Deferred tax liabilities		
Depreciation on Fixed Assets (other than Scientific Research Assets)	892.75	531.21
Depreciation on Scientific Research Assets	38.95	26.34
Unrealised Long Term Capital Gain	-	10.32
Total deferred tax liabilities	931.70	567.87
Deferred tax assets		
Provision for doubtful debts	142.17	138.66
Provision for leave encashment	105.83	112.06
Provision for bonus	-	34.87
Expenditure allowed on payment basis	53.20	53.85
Amalgamation Expenses	59.49	91.91
Total deferred tax assets	360.69	431.36
Net Deferred tax liability/(assets)	570.99	136.50
Note:		
Unused tax credits: In line with returns filed and assessment orders received, tax credit (MAT) recognized and utilized during the year is NIL.		

NOTE 21 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - BORROWINGS

	(₹ in Lakh)	
	As at 31 st March 2020	As at 31 st March 2019
Secured Loans		
Working Capital Loans		
Cash Credit facilities from Banks*	1,893.73	298.54
Total	1,893.73	298.54
Note:		
* Cash Credit and Working Capital Demand Loans from banks are secured by hypothecation of Inventories, Account Receivables on parri passu basis and exclusive charge on land and building and second parri passu charge on plant and machinery. The credit facilities availed by the Company carry interest in the range of 8.00 % p.a. to 10 % p.a.		

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 22 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Outstanding dues of Micro Enterprises and Small Enterprises	219.44	332.13
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	4,374.45	4,923.92
Total	4,593.89	5,256.05

Note:

i. Dues to micro enterprises and small enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro enterprises and small enterprises amounting to ₹ 219.44 lakh (Previous Year: Rs.332.13 lakh). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Principal amount due and remaining unpaid	219.44	332.13
Interest due on above and the unpaid interest	0.42	0.32
Interest paid in terms of Section 16 of MSMED Act	0.32	0.12
Amount of payments made to supplier beyond the appointed day	37.42	-
Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	-	-
Amount of Interest accrued and remaining unpaid	0.42	0.32
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	-	-

NOTE 23 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Current Maturities of Long term debt:		
Term Loan from Bank-Secured	753.06	-
Unpaid/Unclaimed Dividend*	146.99	95.92
Unclaimed Fixed Deposits and Interest thereon	0.70	0.70
Other Liabilities:		
(i) Payable for Expenses	2,756.01	2,201.62
(ii) Payable for capital goods	33.38	51.27
(iii) Commission to Non Executive Directors	51.56	62.69
(iv) Unclaimed Fractional Shares	0.06	-
Total	3,741.77	2,412.20

Note:

* No amounts are due and payable to Investor Education & Protection Fund

NOTE 24 : CURRENT LIABILITIES - PROVISIONS

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Employee Benefit Obligations:		
Compensated absences	45.35	44.05
Total	45.35	44.05

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 25 : CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
Statutory Liabilities :		
(i) Service Tax	-	177.11
(ii) TDS under Income Tax	53.91	53.59
(iii) Provident Fund, Profession Tax and ESIC	27.56	25.06
Payable to Employees :		
(i) Salaries and Wages	232.03	211.36
(ii) Bonus	101.23	99.79
(iii) Incentives	48.93	121.79
Contribution to Gratuity Fund	45.61	106.38
Advance received from Customers	149.18	187.95
Others	133.30	75.20
Total	791.74	1,058.21

NOTE 26 : REVENUE FROM OPERATIONS

(₹ in Lakh)

	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Sale of Products*		
Domestic	43,021.90	55,135.69
Exports	6,130.29	7,171.94
Total Sale of Products	49,152.19	62,307.63
Other Operating Revenue :		
Export Incentives	127.14	157.18
Scrap Sales	149.35	101.84
Insurance Claim	14.70	-
Others	154.76	-
	445.95	259.02
Total Revenue from Operations	49,598.14	62,566.65

* Sale of Products is after providing discounts & commissions directly related to sales:		
Sale of Products		
Domestic	43,064.85	55,173.61
Exports	6,130.29	7,171.94
Total	49,195.14	62,345.56
Less : Sales Discount & Rebates	(42.95)	(37.93)
Commission	-	-
Domestic	43,021.90	55,135.69
Exports	6,130.29	7,171.94
Total Sale of Products	49,152.19	62,307.63

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 27 : OTHER INCOME

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Interest Income on Bank Deposits and Others	40.55	128.16
Dividend Income from Investments	123.41	105.07
Profit on Sale of Assets	89.32	-
Income from Rent	7.09	44.46
Other Income	5.24	69.76
Foreign Exchange Fluctuation difference	245.51	219.87
Net Gain/(Loss) on sale of investments	4.46	(17.69)
Net Gain/(Loss) on financial assets measured at Fair Value through Profit and Loss	17.88	219.37
Excess Provision written back	59.91	-
Total	593.38	769.00

NOTE 28A : COST OF MATERIALS CONSUMED

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Raw Materials Consumed		
Opening Stock	2,243.49	2,627.59
Add : Purchases	34,616.09	42,699.77
	36,859.58	45,327.37
Less : Sale of Raw Materials	(4.69)	-
Less : Closing Stock Raw Materials	(3,122.93)	(2,243.49)
	33,731.96	43,083.88
Packing Materials Consumed		
Opening Stock	69.74	80.34
Add : Purchases	1,241.84	1,395.18
	1,311.58	1,475.52
Less : Closing Stock Packing Materials	(73.58)	(69.74)
	1,238.00	1,405.78
Total	34,969.96	44,489.65

NOTE 28B : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Opening Inventories		
Finished Goods	2,045.68	1,856.97
Total (A)	2,045.68	1,856.97
Closing Inventories		
Finished Goods	2,293.10	2,045.68
Total (B)	2,293.10	2,045.68
Total (B-A)	(247.43)	(188.70)

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 29 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Salaries,Wages,Allowances and Bonus	3,045.54	2,924.73
Wages and allowances to Contract Labour	516.18	554.81
Contribution to Provident Funds and Other funds	218.12	191.48
Workmen and staff welfare expenses	159.87	158.20
Total	3,939.71	3,829.22

NOTE 30 : FINANCE COST

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Interest Expense on cash credit	102.48	155.60
Other Finance Cost*	28.64	24.71
Total	131.12	180.30

Note: *i Includes ₹1.09 Lakh on account of adoption of Ind AS 116, Leases, being lease payments discounted using the interest rate implicit in the lease (Refer Note 37)

ii Finance cost for the year is net of ₹ 131.12 lakh being directly attributable borrowing cost capitalised on acquisition and construction of qualifying assets during the year.

NOTE 31 : DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Depreciation on Property, Plant and Equipment*	1,280.59	1,134.61
Depreciation on Investment Property	-	0.09
Amortization on Intangible Assets	59.16	44.56
Total	1,339.74	1,179.26

Note: *Includes depreciation on ROU Assets ₹2.69 Lakh (Refer Note 37)

NOTE 32 : OTHER EXPENSES

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Stores and Spares consumed	316.17	332.41
Power and fuel	2,499.19	2,777.39
Repairs and Maintenance :		
(i) Buildings	325.45	153.57
(ii) Machinery	408.30	324.81
(iii) Other Assets	27.74	47.35
Rent	19.72	94.76
Rates and Taxes	62.65	42.48
Water Charges	138.36	144.05
Insurance	189.43	71.80
Freight and transport charges	1,276.88	1,235.42
Advertisement	31.60	45.17
Printing, Stationary, & Communication charges	97.46	101.54
Travelling Expenses:		
(i) Directors Travelling Expenses	123.62	86.17
(ii) Others Travelling Expenses	284.42	338.53

(Contd...)

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 32 : OTHER EXPENSES

(₹ in Lakh)

	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Commission on sales	211.79	187.28
Loss on sale of Assets	-	0.74
Fixed Assets Written off	4.54	21.51
Provision / ECL for Bad & Doubtful Debts	18.45	(0.04)
Donation	0.08	0.27
Bank Charges	110.47	169.60
Miscellaneous expenses	1,068.06	1,089.10
Corporate Social Responsibility expenses (Refer Note 32.2)	73.76	81.51
Commission to Non Executive Directors	50.00	62.00
Directors' meeting fees	10.40	11.55
Auditors Remuneration (Refer Note 32.1)	14.63	12.33
Professional Fees	229.21	247.21
Excess Provision written off	5.65	0.40
Total	7,598.04	7,678.91

NOTE 32.1: BREAKUP OF AUDITORS REMUNERATION

(₹ in Lakh)

	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Auditor's remuneration and expenses:		
Statutory audit fees	11.50	11.50
Fees for other audit related services:		
Fees for certification and other services	2.15	0.24
Reimbursement of out of pocket expenses	0.98	0.59
Total	14.63	12.33

NOTE 32.2 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

The Company was required to spend an amount of ₹ 85.35 lakh (Previous Year ₹ 74.51 lakh) being 2% of the average net profits of the three immediately preceding financial years on CSR as per the provisions of section 135 of the Companies Act, 2013. The Company has during the year spent ₹ 73.76 Lakh.

(₹ in Lakh)

Details of amount spent during the year	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
(i) Construction / Acquisition of any Asset	-	-
(ii) On purposes other than (i) above	73.76	81.51
Total	73.76	81.51
Amount Unspent	11.59	-
Total	85.35	81.51

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 33: INCOME TAX EXPENSES

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
a) Income Tax expense		
Current Tax		
Current Tax on profits for the year	417.01	2,081.00
Income tax for earlier years	(52.52)	281.75
Total current tax expense	364.48	2,362.75
Deferred Tax		
(Decrease)/Increase in deferred tax liabilities	433.17	(856.22)
Total deferred tax expense/(benefit)	433.17	(856.22)
Income Tax expense	797.66	1,506.53

NOTE 34: EARNINGS PER SHARE

	(₹ in Lakh)	
	Year 2019-20	Year 2018-19
Profit after Tax as per statement of profit and loss (₹ in Lakh)	1,662.72	4,660.48
*Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share	51,844,960	51,844,960
Basic & Diluted earnings per share attributable to equity share holders of the company (Face value- ₹ 2 per share)	3.21	8.99
Note: *Previous Year FY 2018-19 equity shares have been increased for comparability on account of subdivision of equity shares.		

NOTE 35(a) : CONTINGENT LIABILITIES

	(₹ in Lakh)	
	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Disputed tax demands / claims:		
Income tax	416.39	588.76
Service tax	157.61	242.76
Excise duty	1.72	1.72
Customs duty	142.09	142.09
Profession Tax	3.19	3.19
Open Letters of Credit	1,515.47	3,110.34
Bank guarantee	2,610.50	2,305.00
Notes:		
i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.		
ii. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
iii. Income tax liability of ₹ 416.39 lakh (FY 18-19 ₹ 588.76 lakh) is in respect of certain disallowances for R&D / Section 80IA Deductions and some transfer pricing adjustments by Income tax authorities disputed by the Company		
iv. Customs authorities have raised vide notice dated 22-07-2005 a demand and penalty of ₹ 142.09 lakh each for a dispute regarding high seas sale. The Company has paid the demand of ₹ 142.09 lakh in the FY 2011-12 and has claimed as deduction in the FY 2011-12. Balance penalty of ₹ 142.09 lakh has been disclosed as contingent.		

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 35(b) : COMMITMENTS

(₹ in Lakh)

	As at 31 st March 2020	As at 31 st March 2019
a) Capital commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	475.71	1,138.86

NOTE 36: RESEARCH AND DEVELOPMENT EXPENDITURE

(₹ in Lakh)

	For the Year Ended 31 st March 2020	For the year Ended 31 st March 2019
Capital Expenditure	66.69	23.69
Revenue Expenditure (Refer details below)	342.68	335.77
Total	409.37	359.46
Total revenue expenditure on Research and Development (R & D) eligible for weighted deduction under section 35(2AB) of the Income Tax Act, 1961 aggregated to ₹ 342.68 lakh (FY 2018-19 ₹ 335.77 lakh). The details are as below:		
Revenue expenditure eligible u/s 35 (2AB):		
Salaries & Wages	305.51	281.37
Materials, consumable and spares	17.85	33.33
Utilities	7.50	5.12
Other expenditure directly related to R & D	11.82	15.95
Total	342.68	335.77

NOTE 37: PURSUANT TO IND AS 116-LEASES, THE FOLLOWING INFORMATION IS DISCLOSED

- 1) Ind AS 116 - Leases, has become applicable effective annual reporting period beginning 1st April 2019. The Group has adopted the standard beginning 1st April 2019, using the modified retrospective approach for transition. Accordingly, the Group has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on 1st April 2019. This has resulted in recognising (including reclassification from other assets) a "Right of use asset" and a corresponding "Lease liability" of ₹ 26.88 lakh as at 1st April 2019.
- 2) Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" in previous period to "Depreciation and amortization expense" for the right of use assets and "Finance cost" for interest amount implicit in lease liability. As a result the "Rent", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

(₹ in Lakh)

Adjustments to increase/(decrease) in profits	Year Ended 31 st March 2020 comparable basis	Changes due to IND AS 116	Year Ended 31 st March 2020 as reported
Rent	23.02	(3.30)	19.72
Depreciation and amortisation expense	1,337.06	2.69	1,339.74
Finance Costs	130.03	1.09	131.12
Profit before tax	2,459.91	0.48	2,460.38
Less: Tax Expense	797.66	-	797.66
Profit after Tax	1,662.22	-	1,662.22

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

- 3) The Company has taken certain assets such as vehicle and office premises on operating lease. These rentals are payable by the company on a monthly basis. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than ₹100000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

	(₹ in Lakh)	
	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Lease rental payments recognised in statement of Profit and Loss	9.99	70.03
Future minimum lease rental payable as per the lease agreements:		
Not later than one year	1.26	7.72
Later than one year but not more than five years	-	1.26

NOTE 38: DETAILS ON DERIVATIVES INSTRUMENTS AND UN-HEDGED FOREIGN CURRENCY EXPOSURES

(i) **Exposure in foreign currency- hedged:**

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

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Purchase	Sales	Purchase	Sales
Total number of contracts outstanding	2	-	3	-
USD	6,46,530	-	1,497,250	-
INR Equivalent (₹ in Lakh)	476.42	-	1,047.23	-

(ii) **Exposure in foreign currency - unhedged:**

The Foreign Currency (FC) Exposures not hedged as at 31st March 2020 are as under:

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Foreign Currency	₹ in Lakh	Foreign Currency	₹ in Lakh
Trade and Other Payables (in USD)	5,32,399	401.35	4,23,652	293.05
Trade and Other Payables (in GBP)	23,298	21.68	324	0.29
Trade Receivables (in USD)	14,71,291	1,109.11	9,68,628	670.01

NOTE 39: SEGMENT REPORTING

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director of the Company. The CODM examines the company's performance from a geographical perspective and has identified two of its following business as identifiable segments:

- India
- Outside India.

The amount of the Company's revenue from external customer and Trade Receivable is shown in the table below:

(₹ in Lakh)				
Particulars	Revenue for the year ended 31 st March 2020	Trade Receivable as at 31 st March 2020	Revenue for the year ended 31 st March 2019	Trade Receivable as at 31 st March 2019
India	43,021.90	7,777.97	55,135.69	10,428.87
Outside India	6,130.29	1,129.44	7,171.94	670.01
Total	49,152.19	8,907.41	62,307.63	11,098.88

No Single Customer contributes 10% or more to the Company's revenue during the year ended 31st March 2020 and 31st March 2019.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 40: RELATED PARTY TRANSACTION DISCLOSURES

(I) Disclosures under IND AS 24 on Related Party Transactions:

A. Names of Related Parties and nature of relationship:

(Related Parties and the transactions with Related Parties are identified by the management and relied upon by Auditors).

(i) Key Management Personnel and their relatives

- a) Atul Choksey-Chairman and Non-Executive Director
- b) Abhiraj Choksey-Managing Director
- c) Parul Atul Choksey-Relative of Chairman and Non-Executive Director
- d) Y B Gadgil-Executive Director (upto 31st March 2020)
- e) Anand Kumashi-Company Secretary
- f) Rohit Mahakal-Chief Financial Officer (Resigned w.e.f 31st December, 2018)
- g) Suraj Badale-Chief Financial Officer (Appointed w.e.f 1st April, 2019)

(ii) Non-Executive Directors and Independent Directors:

- a) Atul Choksey- Chairman and Non-Executive Director
- b) Amit Choksey- Non Executive Director
- c) Dr Sivaram- Independent Director
- d) Shailesh Vaidya- Independent Director
- e) Kamlesh Vikamsey- Independent Director
- f) Priyamvada Bhumkar- Independent Director
- g) Udayan Choksi- Independent Director

(iii) Entities in which some of the Directors are interested:

- a) Abhiraj Trading & Investments Pvt. Limited
- b) Aeonian Investments Company Limited
- c) Amisha Habitat Private Limited
- d) Apco Enterprises LLP
- e) Aquamarine Trading & Investments Pvt. Limited
- f) Aquamarine Investment Managers LLP
- g) Balasesh Leafin Limited
- h) Bhuvantray Investments & Trading Co. Pvt. Limited
- i) Choksey Chemical Pvt. Limited
- j) Cons Holdings Limited
- k) Jareepa Trading LLP
- l) Gauriputra Investments & Trading Co. Pvt. Limited
- m) Haridwar Trading & Investments Pvt. Limited
- n) HMP Mineral Pvt. Limited
- o) Mazda Colours Limited
- p) Colortek India Ltd
- q) Sammelan Investments & Trading Limited
- r) Shyamal Fin-vest (India) Limited
- s) The Hindustan Mineral Products Co. Limited

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

B. Transactions with Related Parties

(i) Key Managerial Personnel Compensation (₹ in Lakh)

Short Term and Post-Employment Benefits	Year 2019-20	Year 2018-19
Remuneration		
Abhiraj A. Choksey - Managing Director	112.88	101.70
Y. B. Gadgil - Executive Director*	46.05	41.71
Anand Kumashi - Company Secretary	29.95	27.31
Rohit Mahakal - Chief Financial Officer**	-	13.59
Suraj Badale - Chief Financial Officer***	21.62	-
Total	210.50	184.31

* upto 31st March 2020.

** Resigned w.e.f from 31st December, 2018.

*** Appointed w.e.f from 1st April, 2019

Key Managerial Personnel who are under the employment of the company are entitled to post-employment benefits and other long term employee benefits recognized as per Ind AS 19-'Employee Benefits' in the financial statement. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

(ii) Transactions with other Related parties (₹ in Lakh)

Sr No	Particulars	Relationship	Year 2019-20	Year 2018-19
a.	Sale of Goods Choksey Chemicals Pvt. Ltd	Entities in which some of the Directors are interested	4.47	101.07
b.	Rent and Other expenses (Reimbursement) Apco Enterprises LLP	Entities in which some of the Directors are interested	14.34	9.97
c.	Reimbursement of Medical Expenses Shri. Atul C. Choksey	Chairman and Non-Executive Director	2.72	2.84
d.	Leasing of Premises and allied expenses Parul Atul Choksey	Relative of Chairman and Non-Executive Director	26.55	7.61
e.	Sitting Fees Atul C. Choksey Other	Chairman and Non-Executive Director Non-Executive Director and Independent Directors	1.20 9.20	1.10 10.45
f.	Commission paid during the year Atul C.Choksey Other	Chairman and Non-Executive Director Non-Executive Director and Independent Directors	48.00 14.00	40.81 12.50
g.	Outstanding as at 31st March Trade and Other Payable Abhiraj A. Choksey – Remuneration Payable Trade and Other Receivable Choksey Chemicals Pvt Ltd Rent Deposits Apco Enterprises LLP	Managing Director Entities in which some of the Directors are interested Entities in which some of the Directors are interested	6.60 1.84 7.02	3.60 31.18 7.02

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 41: EMPLOYEE BENEFIT

a) Contribution to Defined Contribution Plan

i) Employers Contribution to Provident Fund including contribution to Pension Fund amounting to ₹ 154.36 lakh (Previous Year – ₹131.46 lakh) has been included under Contribution to Provident and other Funds. (Refer Note – 29)

ii) Compensated absences

The Company provides for encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

iii) Superannuation

The Company makes contribution to Superannuation Scheme, a defined contribution scheme administered by Insurance Companies. The Company has no obligation to the scheme beyond its annual contribution.

b) Contribution to Defined Benefit Plans:

i) Gratuity:

The Company provides for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Amount of gratuity payable on retirement /termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The Company accounts for the liability for gratuity benefits payable in future based on an actuarial valuation.

These plans typically expose the Company to actuarial risks such as, Investment risk, Interest rate risk, longevity risk, salary escalation rate risk etc.

a) Investment risk:

The present value of defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

b) Interest rate risk:

A decrease in the bond interest rate will increase the plan liability. However this will be partially offset by an increase in the return on plans debt investments.

c) Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment.

An increase in the life expectancy of the plan participants will increase the plan's liability.

d) Salary Escalation Rate risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As an increase in the salary of plan participants will increase the plans liability.

The following table sets out the status of the Gratuity Plan as required under IND AS 19.

The principal assumption used for the purposes of the actuarial valuation is as follows:

Particulars	As at 31 st March 2020	As at 31 st March 2019
Discount Rate	6.80 %	7.60 %
Expected rate of salary increase-first year	6.00 %	7.75 %
Thereafter	7.75 %	7.75 %

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

The amount included in the balance sheet arising from the company's obligation in respect of its defined benefit plans is as under:

(₹ in Lakh)

Particulars	Gratuity (Funded Plan)	
	As at 31 st March 2020	As at 31 st March 2019
Present value of defined benefit obligation	737.27	652.38
Fair value of plan assets	691.66	546.01
Net defined liability recognized in balance sheet	45.61	106.37

Amount recognized in profit and loss account in respect of these defined benefit plans are as follows:

(₹ in Lakh)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Current Service Cost	45.34	42.14
Past Service Cost	-	-
Interest on net defined benefit liability/ (asset)	4.04	3.47
Components of defined benefit costs recognized in profit and loss account	49.38	45.61

Amount recognized in other comprehensive income in respect of these defined benefit plans are as follows:

(₹ in Lakh)

Particulars	As at 31 st March 2020	As at 31 st March 2019
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial (gain) / loss arising from changes in financial assumptions	33.98	35.65
Actuarial (gain) / loss on demographic assumption	-	(0.08)
Actuarial (gain) / loss arising from experience adjustments	(11.82)	4.06
Actuarial (gain) / loss on plan assets from experience adjustments	(27.39)	(2.92)
Actuarial (gain) / loss on plan assets from financial assumptions	1.47	-
Components of defined benefit costs recognized in other comprehensive income	(3.76)	36.71

The movements of net liability / (asset) from the beginning to the end of the accounting period as recognized in the balance sheet of the Company are as follows:

(₹ in Lakh)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Opening net defined benefit liability/ (asset)	106.37	94.25
Expenses charged to profit and loss account	49.38	45.61
Amounts recognized in Other Comprehensive Income	(3.76)	36.71
Employer contributions	(106.37)	(70.20)
Closing net defined liability / (asset)	45.61	106.37

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Movements in the present value of the defined benefit obligation in the current year are as follows:

(₹ in Lakh)

Particulars	As at	
	31 st March 2020	31 st March 2019
Opening defined benefit obligation	652.38	555.10
Current Service cost	45.34	42.14
Past Service Cost	-	-
Interest on defined benefit obligation	48.40	40.38
Actuarial (gain) / loss arising from changes in financial assumptions	33.98	35.65
Actuarial (gain) / loss arising from changes in demographic assumptions	-	(0.08)
Actuarial (gain) / loss arising from experience adjustments	(11.82)	4.06
Benefits paid	(31.02)	(24.87)
Closing defined benefit obligation	737.27	652.38

Movement in fair value of the plan assets in the current year are as follows:

(₹ in Lakh)

Particulars	As at	
	31 st March 2020	31 st March 2019
Opening fair value of plan assets	546.01	460.85
Employer Contributions	106.38	70.20
Interest on plan assets	44.36	36.91
Remeasurements due to Actual return on plan assets less interest on plan assets	25.93	2.92
Benefits paid	(31.02)	(24.87)
Closing fair value of plan assets	691.66	546.01

A split of plans asset between various asset classes as well as segregation between quoted and unquoted values is presented below:

(₹ in Lakh)

Particulars	As at		As at	
	31 st March 2020		31 st March 2019	
	Quoted Value	Non Quoted Value	Quoted Value	Non Quoted Value
Insurer managed funds	-	691.66	-	546.01

The plan does not invest directly in any property occupied by the Company or in any financial securities issued by the Company.

The estimates of future salary increases, considered in actuarial valuations, taking account of inflation, seniority, promotions, and other relevant factors, such as supply demand in the employment market.

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in market scenario.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

(₹ in Lakh)

Experience Adjustments	Year ended 31 st March 2016	Year ended 31 st March 2017	Year ended 31 st March 2018	Year ended 31 st March 2019	Year ended 31 st March 2020
Defined Benefit Obligations	(222.01)	(460.56)	(555.1)	(652.38)	(737.27)
Plan Assets	199.89	319.61	460.85	546.01	691.66
Surplus / (Deficit)	(22.12)	(140.95)	(94.25)	(106.37)	(45.61)

Maturity Analysis of Projected Benefit Obligation: From the fund projected benefits payable in future years from the date of reporting:

Maturity profile	₹ In Lakh
Expected benefits for year 1 FY 2020-21	148.08
Expected benefits for year 2 FY 2021-22	25.47
Expected benefits for year 3 FY 2022-23	28.74
Expected benefits for year 4 FY 2023-24	53.15
Expected benefits for year 5 FY 2024-25	91.74
Expected benefits for year 6-10 FY 2026-2030	446.71

Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Impact of change in discount rate when base assumption is decreased/increased by 50 basis point

	Period Ended 31 st March 2020
Discount Rate	Present value of obligation (₹ In Lakh)
6.30%	766.39
7.30%	710.10

Impact of change in salary increase rate when base assumption is decreased/increased by 50 basis point.

	Period Ended 31 st March 2020
Salary Increment Rate	Present value of obligation (₹ In Lakh)
Decreased by 0.5%	713.77
Increased by 0.5%	762.17

Impact of change in withdrawal rate when base assumption is decreased/increased by 50 basis point

	Period Ended 31 st March 2020
Withdrawal Rate	Present value of obligation (₹ In Lakh)
Decreased by 0.5%	738.55
Increased by 0.5%	736.06

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

NOTE 42: FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks i.e. Liquidity risk, Market risks and Credit risk. The Company's senior management has overall responsibility for establishing and governing the Company's risk management framework.

The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of the Company.

a) Liquidity Risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from its bankers.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet its daily operational needs. Any short-term surplus cash generated, over and above the normal requirement for working capital is invested in Bank Fixed deposits and Mutual funds, which carry minimal mark to market risks.

The below table summarizes the maturity profile at the balance sheet date for its non-derivative financial liabilities based on undiscounted cash flows:

	Undiscounted Amount (₹ in Lakh)			
	Carrying Amount	Payable within 1 year	More than 1 years	Total
As at 31st March 2020				
Term Loan and Borrowings (Refer Notes 17 and 21)	4,150.43	1,893.73	2,256.70	4,150.43
Trade Payables (Refer Note 22)	4,593.89	4,593.89	-	4,593.89
Financial liabilities-Other Financial Liabilities (Refer Notes 18 and 23)	4,114.35	3,741.77	372.58	4,114.35
As at 31st March 2019				
Term Loan and Borrowings (Refer Notes 17 and 21)	398.54	298.54	100.00	398.54
Trade Payables (Refer Note 22)	5,256.05	5,256.05	-	5,256.05
Financial liabilities-Other Financial Liabilities (Refer Notes 18 and 23)	2,757.81	2,412.20	345.61	2,757.81

b) Market Risks:

Market risk is the risk of changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values of financial assets and financial liabilities and future cash flows to the Company. The Company's activities expose it to risk from movements in foreign currency exchange rates, interest rates, and market prices that affect its assets, liabilities and future transactions.

l) Foreign currency risk:

i. Potential impact of risk:

The Company undertakes transactions denominated in foreign currency and is thus exposed to foreign currency risk from transactions and translation.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March 2020:

(₹ in Lakh)

Particulars	USD	EUR	GBP
Financial Assets:			
Foreign currency debtors for exports of goods	1,109.11	-	-
Bank balances	281.05	0.20	-
Net exposure to foreign currency risk - assets	1,390.16	0.20	-
Financial Liabilities:			
Foreign currency creditors for import of goods & services	877.77	-	21.68
Derivative Liabilities:			
Foreign exchange forward contract (purchase) foreign currency	476.42	-	-
Net exposure to foreign currency risk – liabilities	401.35	-	21.68

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March 2019:

(₹ in Lakh)

Particulars	USD	EUR	GBP
Financial Assets:			
Foreign currency debtors for exports of goods	670.01	-	-
Bank balances	220.26	0.19	-
Net exposure to foreign currency risk - assets	890.27	0.19	-
Financial Liabilities:			
Foreign currency creditors for import of goods & services	1,340.28	-	0.29
Derivative Liabilities:			
Foreign exchange forward contract (purchase) foreign currency	1,047.23	-	-
Net exposure to foreign currency risk – liabilities	293.05	-	0.29

ii. Management policy:

The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. The use of derivative instruments is subject to limits and regular monitoring by Management.

iii. Sensitivity to risk:

The sensitivity of profit and loss to changes in the exchange rates arises mainly from un hedged foreign currency denominated financial instruments. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5% which represents Managements assessment of the reasonably possible change in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

The company's exposure to foreign currency risk at the end of the reporting period as on 31st March, 2020 are as follows:

Currency	Trade Receivables	Trade Payables	Net Exposure	Exchange Rate	5% strengthening in exchange rate	Difference in Exchange Rate	Net Gain/ (Loss) (₹ in Lakh)
USD	14,71,291	5,32,399	9,38,892	75.39	71.62	3.77	(35.40)
GBP	-	23,298	(23,298)	93.08	88.43	4.65	1.08
Net gain/(loss)							(34.32)

The company's exposure to foreign currency risk at the end of the reporting period as on 31st March 2019 are as follows:

Currency	Trade Receivables	Trade Payables	Net Exposure	Exchange Rate	5% strengthening in exchange rate	Difference in Exchange Rate	Net Gain/ (Loss) (₹ in Lakh)
USD	9,68,628	4,23,652	5,44,976	69.17	65.71	3.46	(18.85)
GBP	-	324	(324)	90.48	85.96	4.52	0.01
Net gain/(loss)							(18.84)

A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

II) Price risk:

i. Potential impact of risk:

The Company is mainly exposed to the price risk due to its investments in equities & mutual funds. The price risk arises due to uncertainties about the future market value of these investments.

As at **31st March 2020**, the investments in equities and mutual funds amount to ₹ **3,335.82 lakh** (as at 31st March 2019- ₹ 4,278.03 lakh) which are exposed to price risk.

ii. Management policy:

The Company has laid policies and guidelines which it adheres to in order to minimize price risk arising from Investments in Equities & Mutual funds.

iii. Sensitivity to risk:

A 10% increase in prices would have led to approximately an additional ₹**333.58 lakh** gain in the statement of Other Comprehensive Income for the year ended **31st March 2020** (Gain in Profit and Loss Account for the year ended 31st March 2019 ₹ 427.80 lakh). A 10% decrease in prices would have led to an equal but opposite effect.

III) Interest rate risk:

i. Potential impact of risk:

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because the Company borrows funds at both fixed and variable interest rates.

As on **31st March 2020**, the Company has variable rate borrowings to the extent of ₹ **3,086.18 lakh** (average borrowings for the year) (As at 31st March 2019, ₹ 2,031.56 lakh.). These are exposed to Interest rate risk.

ii. Management policy:

The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. The Company has laid policies and guidelines which it adheres to in order to minimize the interest rate risk.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

iii. Sensitivity to risk:

The sensitivity analysis has been determined based on exposure to interest rates at the end of reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of liability as on the end of reporting period was outstanding for the entire year. A 25 basis point increase or decrease is used when reporting interest rate risk internally and represents Managements assessment of the reasonable possible change in interest rates.

If Interest rates had been 25 basis point higher, the Company's profit would decrease by approximate ₹7.72 lakh (For the year ended 31st March 2019, profit would decrease by ₹4.29 lakh). A 25 basis point decrease in Interest rates would have led to an equal but opposite effect.

c) Credit Risk:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, wherever appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of customers, across geographies, hence is not exposed to concentration risk. Ongoing credit evaluation is performed on the financial condition of its customers.

The Company makes an allowance for doubtful debts using Expected Credit Loss (ECL) model.

Movement in expected credit loss allowance:

(₹ in Lakh)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Trade Receivables	8,907.41	11,119.35
Allowance for doubtful debt at beginning of the year	10.56	10.19
Incremental expected credit loss allowance	18.45	0.36
Allowance for doubtful debt at end of the year	29.01	10.56

NOTE 43: FAIR VALUE MEASUREMENT

The Management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying values largely due to the short-term maturities of these instruments.

The carrying amounts and fair values of financial instruments by class are as follows:

(₹ in Lakh)

	Notes	As at 31 st March 2020			As at 31 st March 2019	
		FVTPL	FVTOCI	Amortized cost	FVTPL	Amortized cost
Financial assets						
Long Term Investments						
- Equity instruments	4		1,217.93		2,520.83	
- Mutual Funds	4		2,117.89		1,757.20	
Short Term Investments-Mutual Funds	8	2,106.80			2,613.50	
Trade receivables	9			8,907.41		11,119.35
Cash and cash equivalents	10			1,172.31		570.22
Other Bank balances	11			428.44		436.21
Loans to employees	12			33.75		24.69
Other receivables (unsecured)	13			600.65		401.55
Total Financial Assets		2,106.80	3,335.82	11,142.56	6,891.53	12,552.02
Financial Liabilities						
Term Loan	17			2,256.70		100.00
Short Term Borrowings	21			1,893.73		298.54
Trade payables	22			4,593.89		5,256.05
Other financial liabilities	18 and 23			4,114.35		2,757.81
Total Financial Liabilities				12,858.67		8,412.40

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statement that are (a) recognized and measured at fair value and (b) measured at amortized cost. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows the underneath table:

Financial Assets & Liabilities measured at fair value:

(₹ in Lakh)

As at 31 st March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Instruments at FVTOCI					
Long Term Investment					
- Equity	4	1,217.93	-	-	1,217.93
- Mutual Funds	4	2,117.89	-	-	2,117.89
Financial Instruments at FVTPL					
Short Term Investment					
- Mutual Funds	8	2,106.80	-	-	2,106.80
Total Financial Assets		5,442.62	-	-	5,442.62
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Assets and Liabilities which are measured at amortized cost:

(₹ in Lakh)

As at 31 st March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans to employees	12	-	-	33.75	33.75
Total Financial Assets		-	-	33.75	33.75
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Financial Assets & Liabilities measured at fair value:

(₹ in Lakh)

As at 31 st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Instruments at FVTPL					
Long Term Investment					
- Equity	4	2,520.83	-	-	2,520.83
- Mutual Funds	4	1,757.20	-	-	1,757.20
Short Term Investment					
- Mutual Funds	8	2,613.50	-	-	2,613.5
Total Financial Assets		6,891.53	-	-	6,891.53
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Assets and Liabilities which are measured at amortized cost:

(₹ in Lakh)

As at 31 st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans to employees	12	-	-	24.69	24.69
Total Financial Assets		-	-	24.69	24.69
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Level 1: Level 1 hierarchy included financial instruments measured using quoted prices. This included listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments 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 are determined using valuation techniques which maximize the use of observable market data. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTE 44: CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the returns to stakeholders through optimization of debt and equity ratios.

The Company determines the amount of capital required on the basis of annual budgets and three years corporate plan for working capital, capital outlay and long-term strategies. The funding requirements are met through internal accruals and a combination of long-term and short-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakh)

	31 st March 2020	31 st March 2019
Debt (long-term and short-term borrowings including current maturities)	4,903.49	398.54
Equity	25,127.36	27,775.19
Debt equity ratio	0.20	0.01

NOTE 45: Previous year's figures have been have been regrouped / re stated wherever necessary to confirm to current year's presentation.

As per our Report of even date

For SGD & ASSOCIATES LLP

Chartered Accountants

Firm Registration Number: W100188

SHARAD GUPTA

Partner

Membership Number: 116560

Navi Mumbai, Date : 21st May, 2020

For and on behalf of Board of Directors

ATUL C. CHOKSEY

Chairman (DIN00002102)

ABHIRAJ A. CHOKSEY

Managing Director (DIN00002120)

KAMLESH S. VIKAMSAY

Director (DIN00059620)

ANAND V. KUMASHI

Company Secretary

SURAJ S. BADALE

Chief Financial Officer

Navi Mumbai, Date : 21st May, 2020

NOTICE

NOTICE is hereby given that the Thirty fourth (34th) Annual General Meeting of the Members of **apcotex industries limited** will be held on **Tuesday, 4th August 2020 at 11:00 AM**, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement of the Company for the year ended 31st March 2020 together with the Reports of the Board of Directors and Auditor thereon.
2. To confirm the payment of Interim Dividend of Rs.3.00 per equity share paid during the year as the Final Dividend for the financial year 2019-20.
3. To appoint a Director in place of Mr. Amit Choksey (DIN 00001470), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Mrs. Priyamvada Bhumkar as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), the relevant provisions of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, Mrs. Priyamvada Bhumkar (DIN 00726138), whose present term as an Independent Director ended on 31st October 2019, who has given her consent for the re-appointment and has submitted a declaration that she meets the criteria for independence under Section 149 of the Companies Act, 2013 and the applicable regulation of SEBI (LODR) Regulations, 2015 and also declared that she has not been debarred from holding the office of director or continuing as a director of company by SEBI / Ministry of Corporate Affairs (MCA) or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company for a second term of five (5) years to hold the office till the conclusion of the Annual General Meeting (AGM) during the year 2024.

5. Appointment of Mr. Ravishankar Sharma as a Director

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

“RESOLVED THAT Mr. Ravishankar Sharma (DIN 08739672), who was appointed by the Board of Directors as an Additional Director of the Company at their meeting held on 21st May 2020 under Section 161 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules 2014 and the relevant provisions of SEBI (LODR) Regulations, 2015, whose term of office expires at the ensuing AGM and is eligible for appointment, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

6. Appointment of Mr. Ravishankar Sharma as an Executive Director

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the relevant provisions of SEBI (LODR) Regulations, 2015, Mr. Ravishankar Sharma be and is hereby appointed as an Executive Director of the Company, for a period of three (3) years, effective from 1st May 2020, on the same terms and conditions of the existing employment with the Company, with liberty to the Board of Directors/Committee of Board thereof, to alter and vary such terms and conditions of the said appointment, including remuneration within, the maximum limits prescribed under provisions of the Companies Act, 2013”.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Ravishankar Sharma, remuneration by way of salary, perquisites and allowances, not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors, after obtaining suitable recommendation of its Nomination and Remuneration Committee.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of salary, perquisites, allowances and incentive of Mr. Ravishankar Sharma, which revision shall be in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time.”

7. Approval of annual remuneration payable to single Non-Executive Director

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

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 and Rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Regulation 17 (6) (ca) of SEBI (LODR) Regulations, 2015, as amended, approval of the members of the Company be and is hereby accorded for payment of Commission of Rs.35.00 lacs to Mr Atul Choksey – Chairman of the Company, out of total commission of Rs.50.00 lacs for Non-Executive Directors of the Company, as computed under Section 198 of the Companies Act, 2013.

“RESOLVED FURTHER THAT Shri Anand V Kumashi – Company Secretary, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution.

8. Ratification of remuneration to Cost Auditor of the Company

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

RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s V J Talati & Co., Cost Accountants, who have been appointed by the Board of Directors at their meeting held on 21st May 2020, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, on a remuneration of Rs.50,000/- plus taxes as applicable and re-imbursalment of expenses incurred by them in connection with the audit, be and is hereby ratified.”

“RESOLVED FURTHER THAT Mr. Abhiraj Choksey – Managing Director or Mr. Anand V Kumashi – Company Secretary, of the Company, be and is hereby authorized severally to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

**BY ORDER OF THE BOARD
For apcotex industries limited**

**ANAND V. KUMASHI
Company Secretary**

**Date: 21st May 2020
Place: Navi Mumbai**

**Registered Office:
49-53, Mahavir Centre,
Sector 17, Vashi,
Navi Mumbai - 400 703**

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 and MCA Circulars, the Annual General Meeting (AGM) of the Company is being held through VC / OAVM.
2. A statement giving the relevant detail of the Directors seeking appointment/re-appointment under item no.3 to 6 of the accompanying Notice, as required under Regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is annexed herewith.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company’s Registrars and Share Transfer agent viz. Link Intime India Pvt Ltd (LIPL) for assistance in this regard.
5. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with LIPL in case the shares are held by them in physical form.
6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to LIPL in case the shares are held by them in physical form.

7. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to LIPL in case the shares are held in physical form. The Form No. SH-13 form can be obtained from LIPL.
8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or LIPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. Members are requested to participate on first come first serve basis, as participation through VC / OAVM is limited and will be closed on expiry of 15 minutes from the scheduled time of the AGM. However, the participation of members holding 2% or more is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. Participation is restricted upto 2000 members only.
11. Members are requested to note that, dividends if not encashed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.apcotex.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
14. The relevant Statement pursuant to Section 102 of Companies Act, 2013 is annexed hereto.
15. The Register of Members / Shareholders and Share Transfer Books of the Company will remain closed from **Saturday, the 25th day of July 2020 to Monday, 3rd day of August 2020** (inclusive of both days).
16. Relevant documents referred in the accompanying Notice and Director's Report will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 4th August 2020. Members seeking to inspect such documents can send an email to cs@apcotex.com.
17. Pursuant to the provisions of Section 124 of Companies Act, 2013 the Company has transferred the unclaimed dividends upto the financial year 2011-12 from time to time on due dates, to the Investors Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of IEPF (Uploading of Information regarding unpaid / unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4th June 2019 (date of last AGM) on the website of the Company viz. www.apcotex.com, as also on the website of the Ministry of Corporate Affairs viz. www.mca.gov.in.
18. Your attention is invited on the Companies (Significant Beneficial Ownership) amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th February 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.
19. The Company's Statutory Auditor, M/s SGDG & Associates LLP, firm registration no.W100188, was appointed as Statutory Auditor for a period of five consecutive years at the 32nd AGM of the Company held on 27th July 2018 on remuneration to be determined by the Board of Directors.
Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, which came into effect from 7th May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditor has been withdrawn from the Statute.

In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditor have given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

21. **Instructions for e-voting and joining the AGM are as follows:**

A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (LODR) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on **Thursday, 30th July 2020 (9:00 AM IST) and ends on Monday, 3rd August 2020 (5:00 PM IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Tuesday, 28th July 2020 i.e. cut-off date**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed M/s. DS Momaya & Co, Company Secretaries (Membership No. FCS 7195 & C.P. No. 7885), as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113085 then user ID is 113085001***

5. Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) **If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered**
 6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
- Details on Step 2 are mentioned below:**
- How to cast your vote electronically on NSDL e-voting system?**
1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of the Apcotex Industries Limited, which is 113085.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company / Scrutinizer by e-mail to cs@apcotex.com / divya.dsmco@gmail.com with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request to at evoting@nsdl.co.in

In case of any grievances connected with facility for e-voting, please contact

Sr. No.	Name of official	Contact No.	Email id
1	Ms. Pallavi Mhatre Manager, NSDL	1800-222-990	evoting@nsdl.co.in

4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or can contact the following official:

Sr. No.	Name of official	Contact No.	Email id
1	Ms. Sarita Mote, Assistant Manager- NSDL	+91 22-24994890	saritaM@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories / Company for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

Physical Holding	<p>Send a request to the RTA of the Company, LIPL at mt.helpdesk@linkintime.co.in / satyan.desai@linkintime.co.in along with following documents for registering email address:</p> <ul style="list-style-type: none"> • Folio No., • Name of shareholder, • scanned copy of the share certificate (front and back), • PAN (self attested scanned copy of PAN card), • AADHAR (self attested scanned copy of Aadhar Card) <p>OR</p> <p>Register the e-mail id, Mobile no etc in the following link: https://linkintime.co.in/EmailReg/Email_Register.html</p>
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details, if any in your demat account, as per the process advised by your DP.</p>
<p>Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in above as the case may be.</p>	

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER

- Member will be able to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVEN of Company will be displayed.

Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- Members are encouraged to join the Meeting through Laptops / Desktop for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at cs@apcotex.com from 27th July 2020 (9:00 a.m. IST) to 29th July 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM

Other instructions

- The procedure for e-Voting on the day of the AGM through VC / OAVM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.apcotex.com and on the website of NSDL <https://www.evoting.nsd.com> immediately. The Company shall simultaneously forward the results to BSE Ltd and NSE Ltd, where the shares of the Company are listed.

ANNEXURE TO NOTICE

STATEMENT (Pursuant to section 102 of the Companies Act, 2013)

Item No.4

As per the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, Mrs. Priyamvada Bhumkar was appointed as an Independent Director in the Board Meeting held on 31st October 2014 and the Shareholder approved the appointment at 29th AGM of the Company held on 31st July 2015 for a term of five (5) years and her term ended on 31st October 2019

As Mrs. Priyamvada Bhumkar completed her first term of appointment as an Independent Director on 31st October 2019, she is eligible for re-appointment for another term of five (5) consecutive years subject to approval of the Members by special resolution. She has consented to her re-appointment and confirmed that she is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013. The Company has also received the declaration from Mrs. Priyamvada Bhumkar stating that she meets all the criteria of Independence, as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16 (b) of SEBI (LODR) Regulations, 2015 and she is not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meeting held on 12th February 2020 have recommended the re-appointment of Mrs. Priyamvada Bhumkar as an Independent Director for a second term of five (5) consecutive years to hold the office till the conclusion of the annual general meeting during the year 2024. During her tenure of appointment, she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

In the opinion of the Board, she fulfils the conditions for re-appointment as Independent Director and she is independent of the Management.

Brief resume of Mrs. Priyamvada Bhumkar, nature of her expertise in specific function areas and names of companies in which she holds directorship and memberships/chairmanships of the Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations, 2015, are provided in the Annexure to this Notice, which is forming part of the Annual Report.

A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of her re-appointment is available for inspection by the Members of the Company. Please refer note no.16 of the Notice of AGM for inspection of the same.

None of the Directors or Key Managerial Personnel (KMP) of the Company and their relatives other than the concerned Independent Director is in anyway deemed to be concerned or interested, financially or otherwise, in the Resolution as set out in Item Nos. 4 of the Notice.

The Board recommends the Special Resolution as set out in Item Nos. 4 of the Notice for approval of the Members.

Item No.5

The Board of Directors in their meeting held on 21st May 2020 have appointed Mr. Ravishankar Sharma as an additional Director of the Company pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company. In terms of the provision of Section 161 of the Companies Act, 2013, Mr. Ravishankar Sharma would hold the office upto the conclusion of the ensuing AGM.

Mr. Ravishankar Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

Mr. Ravishankar Sharma possesses appropriate skills, experience and knowledge, inter alia in the field of Plant maintenance, Production, Projects etc.

Brief resume of Mr. Ravishankar Sharma, nature of his expertise in specific function areas and names of companies in which he holds directorship and memberships / chairmanships of the Board Committees, shareholding and relationships between directors as stipulated under Regulation 36 of SEBI (LODR) Regulations 2015, are provided in the Annexure to this Notice, which is forming part of the Annual Report.

Considering the vast experience and knowledge, it will be in the interest of the Company that Mr. Ravishankar Sharma is appointed as a Director. Copy of the draft letter for appointment of Mr. Ravishankar Sharma as a Director setting out the terms and conditions is available for inspection by the Members of the Company. Please refer note no.16 of the Notice of AGM for inspection of the same.

Save and except Mr. Ravishankar Sharma and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders

Item No.6

The Board of Directors of the Company at their meeting held on 21st May 2020, have in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in General Meeting and that of the Central Government, if required, under the applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), decided to appoint Mr. Ravishankar Sharma, as an "Executive Director" of the Company, for a period of 3 (three) years, effective from 1st May 2020.

Mr. Ravi Shankar Sharma is a Bachelor of Chemical Engineering from Laxminarayan Institute of Technology, Nagpur, passed out in 1988 and PGDBM from Goa Institute of Management, Goa (Executive MBA) in 2009 and worked with the following companies:

Sr. No.	Tenure	Company	Designation
1	July 1988 to Oct 1992	Gharda Chemicals Ltd., Dombivali	Shift In-charge
2	Nov 1992 to April 2007	Ciba Specialty Chemicals Ltd., Goa	Head of Production
3	April 2007 to Dec 2009	Syngenta India Ltd., Goa	Sr. Manager – Projects
4	Jan 2010 to July 2010	Sequent Scientific Ltd., Mumbai	VP–Specialty Chemicals
5	Aug 2010 to Nov 2014	Atul Ltd., Valsad	GM – MFG, PI Division
6	Nov 2014 to July 2015	Teva API Ltd	VP Operations– Site Head
7	Aug 2015 to March 2018	Atul Ltd., Valsad	GM – MFG, PI Division
8	April 2018 to July 2019	SRF Ltd., Dahej	Sr. VP – MFG

Mr. Ravishankar Sharma is not related to any of the Board Members, KMPs of the Company. The appointment and remuneration of the Executive Director is approved by the Nomination and Remuneration Committee, comprising of Dr. S. Sivaram, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar, Independent directors of the Company and Mr. Atul Choksey - Chairman, in their meeting held on 12th February 2020.

The terms and conditions of the employment and remuneration of Mr. Ravishankar Sharma, are as under:

Salary: Rs.1,68,750/- (Rupees One lakh sixty eight thousand seven hundred and fifty only) per month, with an increment to be determined by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee

Allowances: House Rent Allowance and Bonus as per the rules in force in the Company from time to time.

Managerial Allowance: Rs.2,76,326 (Rupees Two lakh seventy six thousand three hundred and twenty six only) per month, with rise to be determined by the Board of Directors, including committee thereof

Variable Pay Plan (VPP): VPP as per the rules in force in the Company, from time to time.

Perquisites: Perquisites are classified into three categories “A”, “B” and “C” as follows;

Part “A”

Housing

Housing (1) Free furnished residential accommodation or (2) in case of his own flat on ownership basis, then House Rent Allowance of an amount as may be fixed by the Board of Directors, or (3) in case of occupation of the rented premises then reimbursement of actual rent paid in respect of such premises. In case of all the above amenities such as gas, electricity, water, servants, painting, repairs, upkeep and

general maintenance of the premises as are desired by the Director to be provided at the Company’s expenses. In case of (2) & (3) such furniture or benefits in respect of furniture as may be required by Director, to be provided at the Company’s expense.

The expenditure incurred if any, by the Company on gas, electricity, water and furnishings, furniture etc; to be made available to the Executive Director shall be valued as per the Income Tax Rules, as are in force from time to time.

Medical Expenses Reimbursement / Medical Insurance:

Payment of Medical Insurance premium and reimbursement of expenses as per rules of the Company applicable to all senior management personnel

Leave Travel Concession:

Leave Travel Concession for the Executive Director and his family, once in a year incurred in accordance with the Rules of the Company, in force from time to time.

Personal Accident Insurance:

Personal Accident insurance, the annual premium of which will not exceed Rs.20,000/- or coverage under the Group Personal Accident Insurance Policy taken / as may be taken by the Company every year during the tenure of this appointment.

Part “B”

Provident Fund:

Company’s contribution towards Provident Fund, subject to a ceiling of 12% of the salary

Gratuity, Pension and Superannuation:

Benefits in accordance with the rules and regulations in force in the Company from time to time

Part “C”

Car:

Provision of a car and driver for both official and personal use of the Executive Director in accordance with company’s policy

Telephone:

Provision of telephone at residence of the Executive Director. Personal long distance calls on telephone shall be billed by the Company to the Executive Director in accordance with company’s policy

Other Benefits:

1. Leave: Leave with full pay and allowance in accordance with the rules and regulations in the Company in force from time to time. Leave encashment in accordance with the rules and regulations in the Company in force from time to time, to be permitted at the end of the term, after obtaining such approvals as may be necessary.
2. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
3. Such other benefits and amenities as are provided to Senior Officers of the Company from time to time.

The remuneration as aforesaid of the Executive Director shall be subject to such limits of remuneration as are laid down by the Central Government in the Companies Act, 2013, its Schedule V and/or amendments made/as may be made therein from time to time.

Notwithstanding anything to the contrary contained herein, where in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay the Executive Director remuneration by way of salary, allowances and perquisites not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors of the Company, after obtaining suitable recommendation from the Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company.

The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors on the recommendation of the NRC, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made there-under and/ or such guidelines as may be announced by the Central Government from time to time.

The Company shall pay to or reimburse the Executive Director and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purposes of or on behalf of the Company.

Your Directors recommend his appointment for a period of 3 (three) years.

Item No.7

As per Regulation 17(6)(ca) of SEBI (LODR) (Amendment) Regulations, 2018, approval of shareholders is required annually, in case remuneration payable to a single non-executive director exceeds 50% of that payable to all non-executive director annually.

The Board of Directors in their meeting held on 21st May 2020, have approved the payment of commission of Rs.35.00 lacs to Mr. Atul Choksey – Chairman of the Company, out of the total Commission of Rs.50.00 lacs available for Non-Executive Directors of the Company, as computed under Section 198 of the Companies Act, 2013, which is about 2% of net profits of the Company for the financial year. In the AGM held on 4th June 2019, the shareholders have approved the payment of commission upto 3% of net profits of the Company to Non-Executive Directors.

Since the amount of Commission payable to Mr. Atul Choksey – Chairman, as proposed by the Board of Directors, exceeds 50% of the total Commission amount available for Non-Executive Directors of the Company, the approval of Shareholders is required by way of a Special Resolution.

Mr. Atul Choksey, Non-executive Director/Chairman of the Board and his relatives' viz. Mr. Amit C Choksey and Mr. Abhiraj Choksey, are deemed to be interested in the resolution set out at Item No.7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No.7.

Your Board recommends the passing of Special Resolution set out at Item No.7 of the Notice.

Item No.8

Cost Auditor

The Company is required to have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors at their meeting held on 21st May 2020, have appointed M/s. VJ Talati & Co., Cost Accountants, as Cost Auditor for conducting the audit of the cost records of the Company, for the financial year 2020-21 on a remuneration of Rs.50,000/- plus taxes as applicable and re-imbursalment of expenses incurred by them in connection with the audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members of the company are required to ratify the remuneration proposed to be paid to the Cost Auditor.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at

Item No.8 of the Notice for ratification of the remuneration payable to the Cost Auditor

None of the Directors, Key Management Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the Resolution

The Board of Directors recommends the Ordinary Resolution set out at Item No.8 of the accompanying Notice for approval by the Members.

BY ORDER OF THE BOARD
For apcotex industries limited

ANAND V. KUMASHI
Company Secretary

Date: 21st May 2020

Place: Navi Mumbai

Registered Office:
49-53, Mahavir Centre,
Sector 17, Vashi,
Navi Mumbai - 400 703

Annexure to Notice

Details of Directors seeking appointment/re-appointment at the forthcoming AGM in pursuance of Regulation 36 of SEBI (LODR) Regulations 2015

Name of the Director	Mr. Amit Choksey	Mrs. Priyamvada Bhumkar	Mr. Ravishankar Sharma
Director Identification Number	00001470	00726138	R38320388
Date of Birth	14/10/1954	02/07/1962	13/05/1966
Nationality	Indian	Indian	Indian
Date of appointment on Board	21/11/1997	31/10/2014	21/05/2020
Qualification	Bachelor of Commerce	Graduation in Chemicals and MBA from Mumbai University	Chemical Engineer
Shares held	2,75,125	25,000	-
Experience / Expertise	Mr. Amit Choksey has over 30 years of experience in managing industries and manufacturing various types of construction chemicals, specialty water proofing compounds and inorganic pigments	Mrs. Priyamvada Bhumkar has over 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd., the well-known Indian colorant manufacturing company.	Mr. Ravishankar Sharma has over 30 years of experience in Production, Projects, Specialty Chemicals and Manufacturing.
Remuneration last drawn	Not Applicable	Not Applicable	Not Applicable
Remuneration proposed to be paid	Not Applicable	Not Applicable	78.00 lacs
List of Directorship held in other listed Companies	-	-	-
Membership / Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies	-/-	1/-	-/-
Relationship with other Board Members	Related to Mr. Atul Choksey and Mr. Abhiraj Choksey	Not related to any Board Member or Key Managerial Personnel	Not related to any Board Member or Key Managerial Personnel

PERFORMANCE SUMMARY

(₹ in Lakh)

	2019-20 [^]	2018-19 ^{***}	2017-18	2016-17 #	2015-16 # ^{**}	2014-15	2013-14*	2012-13	2011-12	2010-11
Revenues										
Gross Sales	49,152.19	62,307.63	53,635.82	42,951.38	29,772.37	39,114.46	33,035.43	30,262.47	27,789.76	21,941.10
Net Sales	49,152.19	62,307.63	52,428.96	38,654.81	26,700.26	35,336.86	29,537.81	27,212.63	25,384.72	19,967.31
Other Income	1,039.33	1,028.02	902.39	3,138.12	870.10	728.77	408.87	48.06	262.46	358.79
Cost										
Material Consumed	34,722.53	44,300.95	36,058.19	26,922.05	17,552.65	25,020.39	22,663.67	20,628.13	19,327.65	15,069.78
Employee's Remuneration and Benefits	3,939.71	3,829.22	3,383.42	2,916.38	1,521.63	1,410.26	1,158.82	1,078.11	1,008.51	777.48
Other Expenses (Incl Finance Cost)	7,729.15	7,859.21	7,097.95	6,401.72	3,911.68	5,254.42	3,782.25	3,439.00	3,401.16	2,707.26
Gross Profit	3,800.13	7,346.27	6,791.79	5,552.78	4,584.40	4,380.57	2,341.94	2,115.45	1,909.86	1,771.58
Depreciation	1,339.74	1,179.26	1,214.24	1,210.03	894.43	897.71	676.81	311.30	278.64	264.76
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	3,931.25	7,526.57	6,948.77	5,840.39	4,826.41	4,704.83	2,756.43	2,350.26	2,275.91	1,980.55
Profit before tax	2,460.38	6,167.01	5,577.55	4,342.75	3,689.96	3,482.85	1,665.12	1,804.16	1,631.20	1,506.82
Profit after tax	1,662.72	4,660.48	3,863.64	3,498.52	2,814.31	2,468.06	1,314.32	1,280.53	1,146.38	1,072.36
Earnings Per Share	3.21	8.99	18.63	16.87	13.57	23.80	12.68	24.70	22.11	20.68
Capital Accounts										
Share Capital	1,036.90	1,036.90	1,036.90	1,040.80	1,040.80	522.35	522.35	522.35	522.35	522.35
Reserves and Surplus	24,090.46	26,738.29	23,601.80	21,251.04	26,125.70	9,452.95	8,005.18	7,297.44	6,455.32	5,897.07
Net Worth	25,127.36	27,775.19	24,638.70	22,291.84	27,166.50	9,975.30	8,527.53	7,819.79	6,977.67	6,419.42
Net Block of Fixed Assets	12,487.53	7,641.73	7,852.96	8,778.68	8,985.27	6,325.26	6,779.16	6,498.91	3,178.36	2,887.37

* Equity shares of ₹ 10 each subdivided into 2 equity shares of ₹ 5 each on 17th August 2013 (Record date)

** Bonus Share Capital allotted in the ratio of 1:1 on 25th September 2015

The financials for FY 2015-16 and FY 2016-17 have been restated as per IND-AS.y

[^]Equity share of ₹ 5/- each subdivided into Equity share of face value of ₹ 2/-each with effect from 5th July 2019 (Record date).

^{***}EPS figure restated for comparability on account of subdivision of equity shares.

NOTES







apcotex industries limited

49/53 Mahaveer Centre, Plot no. 77, Sector 17, Vashi, Navi Mumbai – 400 703

