Kothari Group

Imagine Inspire Deliver

Annual Report 2018 - 2019

KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.

			DIN
BOARD OF DIRECTORS	:	SRI A. V. KOTHARI – Director	02572346
		SMT. VEDIKA KOTHARI – Director	07189991
		SRI S. BAGRI – Director	00659888
		SRI A. KHANDELWAL – Director	00416445
		SRI A. AGARWAL – Director	00054252
		SRI A. K. TOSHNIWAL – Managing Director	06872891
COMPANY SECRETARY	:	SRI M. L. DAGA	
AUDITORS	:	K RAY & COMPANY, KOLKATA	
BANKERS	:	VIJAYA BANK	
REGISTERED OFFICE	:	C-4, GILLANDER HOUSE, 8, N. S. ROAD, KOLKATA-700 001	
REGISTRAR & SHARE TRANSFER AGENT	:	MAHESHWARI DATAMATICS PVT. LTD. 23, R. N. MUKHERJEE ROAD (5TH FLOOR), KOLKATA - 700 001	

MANUFACTURING UNITS

PHYTOCHEMICALS DIVISION	:	MADURAI (Tamil Nadu) Mfrs. of : Chemicals and Crude Drugs
CLARO INDIA DIVISION	:	GUMMIDIPOONDI (Tamil Nadu) Mfrs. of : Phenolic Resin

CONTENTS Page

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting ONE HUNDRED TWENTY THIRD Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March 2019.

1. FINANCIAL SUMMARY AND PERFORMANCE OF THE COMPANY :

PARTICULARS	**2018-19** ₹	2017-18 ₹
Gross Sales	271,992,654	237,652,998
Other Operating Revenue	8,343,765	2,355,283
Other Income	24,559,616	23,847,302
Total Revenue	304,896,035	263,855,583
Earnings before Depreciation, Amortisation & Taxation	**81,613,077**	**73,004,834**
Less : Depreciation and Amortisation	8,872,325	9,197,315
Profit before Taxation	**72,740,752**	**63,807,519**
Less : Provision for Taxation		
Current Tax	16,500,000	14,700,000
Deferred Tax (Net)	370,811	3,179,675
Profit from Continuing Operation	**55,869,941**	**45,927,844**
Profit after Taxation from Discontinuing Operations	-	31,590,178
Profit for the year	**55,869,941**	**77,518,022**
Other Comprehensive Income	69,827	212,169
Total Comprehensive Income	**55,939,768**	**77,730,191**
STATEMENT OF RETAINED EARNINGS		
At the beginning of the year	59,835,792	46,126,696
Add : Profit for the year	55,869,941	77,518,022
Add : Other Comprehensive Income (net of taxes)	69,827	212,169
Less : Dividend Paid	11,649,525	11,649,525
Tax on Dividend	2,394,595	2,371,570
Transfer to General Reserve	50,000,000	50,000,000
At the end of the year (Balance)	51,731,440	59,835,792
EPS	**14.39**	**19.97**

DIRECTORS' REPORT — (Contd.)

2. DIVIDEND

Your Directors are pleased to recommend payment of dividend @ 35 % i. e. ₹ 3.50 (previous year 30 % i.e. ₹ 3/-) per ordinary share of ₹ 10/- each for the year under review. The total payout amounts to ₹ 16,384,806/- including ₹ 2,793,694/- as Dividend Distribution Tax.

3. RESERVE

An amount of ₹ 50,000,000/- has been transferred to the General Reserve for the financial year ended 31st March, 2019.

4. SHARE CAPITAL

The Paid – up Share Capital of the Company as on 31st March, 2019 was ₹ 38,831,750/-. There has been no change in the Equity Share Capital of the Company during the year.

5. ADOPTION OF INDIAN ACCOUNTING STANDRAD (IND – AS)

The Company has followed the treatment laid down in the Indian Accounting Standards (Ind AS) and the results for the year ended 31st March, 2019 are in compliance with Indian Accounting Standard (Ind AS) notified by the Ministry of Corporate Affairs.

6. VOLUNTARY DELISTING OF EQUITY (ORDINARY) SHARES FROM THE CALCUTTA STOCK EXCHANGE LIMITED

The Calcutta Stock Exchange Limited vide their letter Ref. No. CSE / LD / 14252 / 2018 dated 21st May, 2018 has confirmed the Voluntary Delisting of the Equity (Ordinary) Shares of the Company with effect from 22nd May, 2018 and accordingly, the Company was not required to comply with the SEBI (LODR) 2015.

7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year Ordinary Shares, Unclaimed Dividend and Unclaimed Fractional entitlement relating to some shareholders has been transferred to Investor Education and Protection Fund (IEPF). The details are as under:

No. of Shares	–	3350
No. of Shareholders	–	1170
Unclaimed Dividend for 2010 – 2011	–	₹ 20,133/-
Unclaimed Fractional Entitlement for 2011 – 2012	–	₹ 2,34,811/-

8. MANAGEMENT'S DISCUSSION AND ANALYSIS

There was improvement in the demand of Phytochemical products, but revenue from Resin is not satisfactory.

DIRECTORS' REPORT — (Contd.)

SEGMENTWISE PERFORMANCE

a) PHYTOCHEMICALS DIVISION

During the year under review the turnover of the division has increased to ₹ 17.39 Crore as compared to ₹ 16.45 Crore in last year. However, Uncertainty of Price and Supply of critical raw material Nux Vomica seeds are cause for concern.

"Public Hearing" for the Environmental Clearance of New Phyto Products Project, is scheduled to be held at Nagari on 21st August, 2019. On successful Public Hearing and obtaining Environmental Clearance we will take further steps to obtain Consent to Establish and subsequently Consent to Operate. Barring any further regulatory hurdles of Pollution Control, your Directors hope the Commercial Production of New Phyto Product will start by July / August, 2020.

b) CLARO INDIA DIVISION

Uneconomic size of Claro India and its outdated plant and machineries is a problem area for the division. As reported earlier, long term viability of this division is uncertain.

OPPORTUNITIES AND THREATS

The prevailing exchange rate of Indian Rupee Vis – a – vis US Dollar may help us in short run to get better realisation. Power supply position is fairly comfortable. Once commercial production of new phyto products start, it would increase revenue of the Company.

Increase in Power tariff every now and then is a serious concern. Also, increase in the price of Nux Vomica seeds and their non – availability in time, will increase input costs. Present slow down in Indian economy, in general, may also affect Company's performance.

OUT LOOK

The commercial production of New Phyto Products in the coming year will increase the Revenue and Profits.

RISK AND CONCERNS

Recent floods, Natural Calamities, Changes in the Government Policies and Local factors are always a area of concern, that will have a direct impact on the profits of the Company.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Effective Internal control in all operational areas exist in all the Divisions of the Company. Financial records are maintained according to Accounting Standard introduced by the Government. Internal Audit is conducted by an Independent Professional firm of Chartered Accountants. The Internal Audit Reports are reviewed and discussed with the senior management and corrective actions are implemented as per requirement.

HUMAN RESOURCES

Our employees are core resource and the Company is continuously evolving Policies to strengthen its employee value proposition. The Company is constantly working on providing

DIRECTORS' REPORT — (Contd.)

the best working environment to its employees with a view to inculcate future leadership and autonomy among them. Value and competencies of employees and workers are enriched through various development strategies.

CAUTIONARY STATEMENT

The statements contained in the Board's Report & Management Discussion and Analysis contain certain facts relating to the future and therefore are forward looking within the meaning of applicable laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statues, market forces and other associated and incidental factors may however lead to variation in actual results. This Report should be read in conjunction with the financial statements included herein and the notes thereto. Readers are cautioned not to place undue reliance on these forward – looking statements that speak only as of their dates.

9. DIRECTORS

None of the Directors are disqualified under Section 164 (2) of the Companies Act, 2013.

Smt. Vedika Kothari (DIN: 07189991) Non – executive Director retires by rotation from the Board and being eligible, offer herself for re – election. The Board recommend her reappointment.

A brief particular of the Director seeking reappointment is as under:

Smt. Vedika Kothari, aged about 28 years, is a "Master of Business Administration (MBA)". She is very young, energetic with good business acumen and commercial prudence. Sri Arun Kumar Kothari & Smt. Prabhawati Devi Kothari, both promoter and shareholder are related to Smt. Vedika Kothari, as father in law and mother in law respectively. Sri Anand Vardhan Kothari, director is related to Smt. Vedika Kothari, as Spouse. Details of her other Directorships are as follows:-

Sl. No.	Name of Company	Nature of Office
1	Premier Suppliers Private Limited	Director
2	Vishnuhari Investment & Properties Limited	Director
3	M. D. Kothari & Company Limited	Director

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134 (5) of the Companies Act, 2013 your Directors hereby state and confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

DIRECTORS' REPORT — (Contd.)

ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the company for that period;

iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) the directors had prepared the annual accounts on a going concern basis;

v) the directors had 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) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REMUNERATION POLICY

The Company follow a policy on remuneration of Directors and Senior Management Employees. The Policy is approved by the Nomination and Remuneration Committee and the Board. More details on the same are given in the website of the Company. The web – link for the remuneration policy is https://www.kothariphyto.com/nmp.php

REMUNERATION RATIO OF DIRECTORS / KEY MANAGERIAL PERSONNEL / EMPLOYEES.

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are not applicable to the Company. The remuneration paid to Managing Director and Directors are well within the limits prescribed under the Companies Act, 2013.

10. PUBLIC DEPOSITS

The Company has not accepted any deposits from members and public under Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

11. NUMBER OF BOARD MEETINGS HELD

During the year under review four Board Meetings were held on 30th May, 20th September, 17th December, 2018 and 29th March, 2019.

DIRECTORS' REPORT — (Contd.)

Directors attending the Board Meetings and last Annual General Meeting are as follows:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM on 20.09.2018
Sri A. V. Kothari	Non – Executive	4	No
Sri S. Bagri	Non – Executive	4	Yes
Sri A. Khandelwal	Non – Executive	3	Yes
Sri A. Agarwal	Non – Executive	1	No
Smt. V. Kothari	Non – Executive	3	No
Sri A. K. Toshniwal	Executive –Managing Director	2	Yes

12. COMMITTEES OF THE BOARD

At present the Board has two committees viz. (a) Stakeholders Relationship Committee and (b) Corporate Social Responsibility Committee the details of which are given under:

(a) Stakeholders Relationship Committee. The Stakeholders Relationship Committee comprises of Sri A. Khandelwal, Chairman, Sri S. Bagri and Smt. Vedika Kothari members. The Company Secretary acts as the Compliance Officer. The Committee met twice during the year under review, on 20th September, 2018 and 29th March, 2019.

The details of attendance of each member at these meetings are as follows: -

Name of Member	No. of Meetings Attended
Sri A. Khandelwal, Chairman	2
Sri S. Bagri	2
Smt. V. Kothari	2

During the year the Company has received 1 (One) complaint from the Shareholders regarding non receipt of Share Certificates, which were attended and their grievances were resolved satisfactorily. There was no Investors' complaint pending against the Company as on 31st March, 2019.

None of the Complaints remain pending as a matter of routine practice, for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

DIRECTORS' REPORT — (Contd.)

(b) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Sri A. Khandelwal, Chairman, Sri S. Bagri and Sri A. V. Kothari members. The Company Secretary acts as the Compliance Officer.

The Committee met twice during the year under review, on 20th September, 2018 and 29th March, 2019.

The details of attendance of each member at these meetings are as follows: -

Name of Member	No. of Meetings Attended
Sri A. Khandelwal, Chairman	2
Sri S. Bagri	2
Sri. A. V. Kothari	2

13. AUDITORS

K. Ray & Company, (Firm Registration No. 312142E) Chartered Accountants, the Statutory Auditors of the Company were appointed in the 121st Annual General Meeting to hold office until the conclusion of 126th Annual General Meeting.

Jitendra K Agarwal & Associates, (Firm Registration No. 318086E) Chartered Accountants, the Branch Auditors of the Company were appointed in the 121st Annual General Meeting to hold office until the conclusion of 126th Annual General Meeting.

14. AUDIT REPORTS

There are no qualifications or observations or remarks made by the Statutory Auditor in their Report.

15. COMPLIANCE WITH SECRETARIAL STANDARD

Secretarial Standard 1: Meeting of the Board of Directors and Secretarial Standard 2: General Meeting, as applicable have been complied by the Company.

16. CORPORATE SOCIAL RESPONSIBILITY

Your Company is conscious of its Social Responsibility and the environment in which it operates. Over the years, the Company aims towards improving the life of the people.

Company's CSR policy covers activities relating to

i) Eradicating extreme hunger and poverty;

ii) Promotion of education;

DIRECTORS' REPORT — (Contd.)

iii) Promoting gender equality and empowering women;

iv) Ensuring environmental sustainability;

v) Employment enhancing vocational skills;

vi) Social business projects;

vii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or State Governments for socio – economic development and relief, and, funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

During the Financial year 2018 – 2019, in compliance with Section 135 of the Act, an amount of ₹ 22.94 Lakh (including ₹ 9.93 Lakh of the previous year) was required to be spent by the Company in CSR activities. The CSR Committee is on the lookout to identify a suitable small size project to spend this amount.

Annual Report on CSR activities is annexed herewith as Annexure 'I' forming a part of this report.

17. RELATED PARTY TRANSACTIONS

There were no contracts or arrangement entered into by the Company in accordance with the provisions of Section 188 of the Companies Act, 2013. However, Related Party Transactions are entered in ordinary course of business and in accordance with Indian Accounting Standard 24. The Related Party Transactions are disclosed under Note No. 37 of the Financial Statement. There were no materially significant Related Party Transactions made by the Company during the year under review, which may have a potential conflict with the interest of the Company. All related party transactions are approved by the Board. Accordingly, the Related Party Transaction as required under the Companies Act, 2013 in Form AOC – 2 is not applicable.

18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loan given and securities acquired are provided under Note No. 12 and 5 of the Financial Statement respectively. The details of Guarantee given is provided in Note No. 35.01 of the Financial Statement.

19. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT – 9 forming part of this report are attached as Annexure 'II'.

20. SUBSIDIARIES & ASSOCIATES

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of our Associate Company is given in the prescribed format AOC – 1 which is annexed as Annexure 'III' and forming part of this report.

DIRECTORS' REPORT — (Contd.)

21. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the financial year ended on 31^{st} March, 2019, prepared as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act'), Rules framed therein and the applicable Accounting Standards are provided in the Annual Report.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information related to energy conservation, technology absorption and foreign exchange earnings & Outgo in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given as Annexure 'IV' and forming part of this Report.

23. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material order has been passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and company's operations in future.

24. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments during the period between end of the financial year and the date of this report.

25. VIGIL MECHANISM

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism.

26. RISK MANAGEMENT

The Board of Directors supervises the affairs of the Company through the Managing Director and Executives on daily basis. The risk identified are mitigated with their working experience in the area of Business, Competition, Finance and Human Management.

27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDDRESSAL) ACT, 2013

The Company is committed to provide a safe work environment to its employees. During the year under review, no case of sexual harassment was reported.

28. INDUSTRIAL RELATIONS

The Directors wish to place on record their appreciation for the services rendered by all categories of employees of the Company. Employer – Employee relation was cordial and in good harmony during the year under report.

On behalf of the Board,

A. V. Kothari
Director
DIN : 02572346

A. K. Toshniwal
Managing Director & CEO
DIN : 06872891

Kolkata
9th August, 2019

ANNEXURE – I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended on 31st March, 2019

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web – link to the CSR policy and projects or programs.	During the year 2017 – 18 the CSR become applicable to the Company. Accordingly a CSR Committee was formed and CSR policy was framed in accordance with the provisions of the Companies Act, 2013 read with schedule VII of the said Act and Rules framed there under. Our CSR Policy covers activities in the field of Environment, Health Care, Education and Community Development.
2	Composition of the CSR Committee	1. Mr. A. Khandelwal – Chairman 2. Mr. A. V. Kothari – Member 3. Mr. S. Bagri – Member
3.	Average net profit of the Company for the last three financial years :	Financial Year — Profit (₹ in Lakh) 2015 – 16 — 456.54 2016 – 17 — 453.36 2017 – 18 — 1,041.42 **Total — 1,951.32** **Average of above said profit 650.44**
4.	Prescribed CSR Expenditure (2 % of the amount as in item 3 above) :	**₹ 13.01 Lakh**
5.	Details of CSR spent for the financial year: (1) Total Amount spent for the Financial Year (2) Amount unspent if any (3) Manner in which the amount spent during the financial year.	 ₹ **13.01 Lakh** **₹ 22.94 Lakh (Including ₹ 9.93 Lakh of previous year)** **The CSR Committee is on the lookout to Identify a suitable small size project to spend this amount.**

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the Company.

On behalf of the Board

Kolkata
9th August, 2019

A. V. Kothari
Director
DIN : 02572346

A. Khandelwal
Chairman – CSR Committee
DIN : 00416445

ANNEXURE - II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	**U15491WB1897PLC001365**
2.	Registration Date	**10/03/1897**
3.	Name of the Company	**Kothari Phytochemicals & Industries Limited**
4.	Category / Sub-Category of the Company	**Category : Company Limited by Shares** **Sub-Category : Indian Non-Government Company**
5.	Address of the Registered Office & Contact details	**C- 4, Gillander House, 8, Netaji Subhas Road, Kolkata-700 001** **Phone No. : 91-33-2230-2331 (6 Lines)** **E-mail : mldaga1957@yahoo.co.in**
6.	Whether listed company	**No.**
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	**Maheshwari Datamatics Private Limited** **23, R. N. Mukherjee Road, 5th Floor, Kolkata -700 001** **Phone No. : 91-33-2248-2248 / 2243-5029** **Fax : 91-33-2248-4787** **E-mail : mdpldc@yahoo.com**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated) :

Sl. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1.	Veterinary preparations : **Strychnine & its Salts**	21005	52%
2.	Organic and Inorganic Chemical Compounds : **Phenolic Resin**	20119	31%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Gillanders Arbuthnot & Company Limited C-4, Gillander House, 8, N.S. Road, Kolkata-700 001	L51909WB1935PLC008194	Associate	25.78%	2 (6)

ANNEXURE - II (Contd.)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2018]				No. of Shares held at the end of the year [As on 31st March 2019]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	76858	0	76858	1.9793	40858	3	40861	1.0523	– 0.9270
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	3778629	213	3778842	97.3131	3819050	46	3819096	98.3498	1.0367
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	**3855487**	**213**	**3855700**	**99.2924**	**3859908**	**49**	**3859957**	**99.4021**	**0.1097**
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**3855487**	**213**	**3855700**	**99.2924**	**3859908**	**49**	**3859957**	**99.4021**	**0.1097**

ANNEXURE - II (Contd.)

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2018]				No. of Shares held at the end of the year [As on 31st March 2019]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Alternate Investment Funds	–	–	–	–	–	–	–	–	–
Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
Provident Funds / Pension Funds	–	–	–	–	–	–	–	–	–
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
Sub-total (B) (1)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

ANNEXURE - II (Contd.)

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2018]				No. of Shares held at the end of the year [As on 31st March 2019]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	369	369	0.0095	0	242	242	0.0062	–0.0033
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4015	14603	18618	0.4795	1940	9198	11138	0.2868	–0.1927
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Specify)									
Non Resident Indians	4	3520	3524	0.0908	4	3520	3524	0.0908	0.0000
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
Custodian of Enemy Property	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	–	–	–	–	–	–	–	–	–
Trusts	–	–	–	–	–	–	–	–	–
Foreign Bodies - DR	–	–	–	–	–	–	–	–	–

ANNEXURE - II (Contd.)

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2018]				No. of Shares held at the end of the year [As on 31st March 2019]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
NBFCs registered with RBI	–	–	–	–	–	–	–	–	–
Employee Trusts	–	–	–	–	–	–	–	–	–
Domestic Corporate Unclaimed Shares Account	–	–	–	–	–	–	–	–	–
Investor Education and Protection Fund Authority	4964	0	4964	0.1278	8314	–	8314	0.2141	0.0863
Sub-total(B)(2)	**8983**	**18492**	**27475**	**0.7076**	**10258**	**12960**	**23218**	**0.5979**	**–0.1097**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**8983**	**18492**	**27475**	**0.7076**	**10258**	**12960**	**23218**	**0.5979**	**–0.1097**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	3864470	18705	3883175	100.0000	3870166	13009	3883175	100.0000	0.0000

ANNEXURE - II (Contd.)

ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	COMMERCIAL HOUSE PRIVATE LIMITED	755414	19.4535	0.0000	755414	19.4535	0.0000	0.0000
2	KOTHARI & COMPANY PRIVATE LIMITED	594960	15.3215	0.0000	594960	15.3215	0.0000	0.0000
3	M. D. KOTHARI & COMPANY LIMITED	576525	14.8467	0.0000	576525	14.8467	0.0000	0.0000
4	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED	750720	19.3326	0.0000	750720	19.3326	0.0000	0.0000
5	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED	491568	12.6589	0.0000	491568	12.6589	0.0000	0.0000
6	UMA BINANI	36000	0.9271	0.0000	0	0.0000	0.0000	–0.9271
7	BHAKTWATSAL INVESTMENTS LIMITED	214459	5.5228	0.0000	214459	5.5228	0.0000	0.0000
8	KOTHARI CAPITAL & SECURITIES PRIVATE LIMITED	20959	0.5397	0.0000	20959	0.5397	0.0000	0.0000
9	ARUN KUMAR KOTHARI KARTA OF PARAMSUKHDAS SUGANCHAND HUF	19040	0.4903	0.0000	19040	0.4903	0.0000	0.0000
10	ANAND VARDHAN KOTHARI	13300	0.3425	0.0000	13300	0.3425	0.0000	0.0000
11	PREMIER SUPPLIERS PRIVATE LIMITED	8000	0.2060	0.0000	8000	0.2060	0.0000	0.0000
12	PRABHAWATI DEVI KOTHARI	6500	0.1674	0.0000	6500	0.1674	0.0000	0.0000
13	ARUN KUMAR KOTHARI	2018	0.0520	0.0000	2021	0.0521	0.0000	0.0000
14	SATYAM FINANCIAL SERVICES LIMITED	1000	0.0258	0.0000	1000	0.0258	0.0000	0.0000
15	G. DAS & COMPANY PRIVATE LIMITED	175,237	4.5127	0.0000	215491	5.5494	0.0000	1.0367
16	ALBERT DAVID LIMITED	190000	4.8929	0.0000	190000	4.8929	0.0000	0.0000
	TOTAL	**3855700**	**99.2924**	**0.0000**	**3859957**	**99.4021**	**0.0000**	**0.1097**

ANNEXURE - II (Contd.)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BHAKTWATSAL INVESTMENTS LIMITED				
	At the beginning of the year	214459	5.5228	214459	5.5228
	At the end of the year			214459	5.5228
2	COMMERCIAL HOUSE PRIVATE LIMITED				
	At the beginning of the year	755414	19.4535	755414	19.4535
	At the end of the year			755414	19.4535
3	KOTHARI CAPITAL & SECURITIES PRIVATE LIMITED				
	At the beginning of the year	20959	0.5397	20959	0.5397
	At the end of the year			20959	0.5397
4	KOTHARI & COMPANY PRIVATE LIMITED				
	At the beginning of the year	594960	15.3215	594960	15.3215
	At the end of the year			594960	15.3215
5	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED				
	At the beginning of the year	491568	12.6589	491568	12.6589
	At the end of the year			491568	12.6589
6	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year	750720	19.3326	750720	19.3326
	At the end of the year			750720	19.3326
7	M. D. KOTHARI & COMPANY LIMITED				
	At the beginning of the year	576525	14.8467	576525	14.8467
	At the end of the year			576525	14.8467
8	ARUN KUMAR KOTHARI KARTA OF PARAMSUKHDAS SUGANCHAND HUF				
	At the beginning of the year	19040	0.4903	19040	0.4903
	At the end of the year			19040	0.4903
9	ARUN KUMAR KOTHARI				
	At the beginning of the year	2018	0.0520	2018	0.0520
	As on 24/08/2018 - Transfer	(+) 3	(+) 0.0001	2021	0.0521
	At the end of the year			2021	0.0521
10	SATYAM FINANCIAL SERVICES LIMITED				
	At the beginning of the year	1000	0.0258	1000	0.0258
	At the end of the year			1000	0.0258

ANNEXURE - II (Contd.)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	PRABHAWATI DEVI KOTHARI				
	At the beginning of the year	6500	0.1674	6500	0.1674
	At the end of the year			6500	0.1674
12	ANAND VARDHAN KOTHARI				
	At the beginning of the year	13300	0.3425	13300	0.3425
	At the end of the year			13300	0.3425
13	UMA BINANI				
	At the beginning of the year	36000	0.9271	36000	0.9271
	As on 08/06/2018 – Transfer	(–) 36000	(–) 0.9271	0	0.0000
	At the end of the year			0	0.0000
14	PREMIER SUPPLIERS PRIVATE LIMITED				
	At the beginning of the year	8000	0.2060	8000	0.2060
	At the end of the year			8000	0.2060
15	G. DAS & COMPANY PRIVATE LIMITED				
	At the beginning of the year	175237	4.5127	175237	4.5127
	As on 08/06/2018 - Transfer	(+) 36000	(+) 0.9271	211237	5.4398
	As on 15/06/2018 - Transfer	(+) 800	(+) 0.0206	212037	5.4604
	As on 22/06/2018 - Transfer	(+) 340	(+) 0.0088	212377	5.4692
	As on 13/07/2018 - Transfer	(+) 100	(+) 0.0026	212477	5.4718
	As on 20/07/2018 – Transfer	(+) 914	(+) 0.0235	213391	5.4953
	As on 24/08/2018 - Transfer	(+) 904	(+) 0.0233	214295	5.5186
	As on 14/09/2018 - Transfer	(+) 10	(+) 0.0003	214305	5.5189
	As on 02/11/2018 - Transfer	(+) 112	(+) 0.0029	214417	5.5218
	As on 16/11/2018 - Transfer	(+) 8	(+) 0.0002	214425	5.5220
	As on 21/12/2018 - Transfer	(+) 20	(+) 0.0005	214445	5.5225
	As on 28/12/2018 - Transfer	(+) 8	(+) 0.0002	214453	5.5227
	As on 08/02/2019 - Transfer	(+) 1	(+) 0.0000	214454	5.5227
	As on 22/02/2019 - Transfer	(+) 999	(+) 0.0257	215453	5.5484
	As on 29/03/2019 - Transfer	(+) 10	(+) 0.0003	215463	5.5487
	As on 31/03/2019 - Transfer	(+28)	(+) 0.0007	215491	5.5494
	At the end of the year			215491	5.5494
16	ALBERT DAVID LIMITED				
	At the beginning of the year	190000	4.8929	190000	4.8929
	At the end of the year			190000	4.8929

ANNEXURE - II (Contd.)

iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PRINCESS SHOBHANA RANA				
	At the beginning of the year	3520	0.0906	3520	0.0906
	At the end of the year			3520	0.0906
2	VIVEK SJB RANA				
	At the beginning of the year	1600	0.0412	1600	0.0412
	At the end of the year			1600	0.0412
3	JOGENDRA KRISTO DUTT #				
	At the beginning of the year	814	0.0210	814	0.0210
	As on 20/07/2018 - Transfer	(-) 814	(-) 0.0210	0	0.0000
	At the end of the year			0	0.0000
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year	4964	0.1278	4964	0.1278
	As on 15/02/2019 - Transfer	(+) 3350	(+) 0.0863	8314	0.2141
	At the end of the year			8314	0.2141
5	B. L. DAMANI #				
	At the beginning of the year	800	0.0206	800	0.0206
	As on 15/06/2018 - Transfer	(-) 800	(-) 0.0206	0	0.0000
	At the end of the year			0	0.0000
6	PREM MEHTA				
	At the beginning of the year	800	0.0206	800	0.0206
	At the end of the year			800	0.0206
7	MOHAN LALL DAGA				
	At the beginning of the year	795	0.0205	795	0.0205
	At the end of the year			795	0.0205
8	RAM RATAN MOHTA #				
	At the beginning of the year	500	0.0129	500	0.0129
	As on 24/08/2018 - Transfer	(-) 500	(-) 0.0129	0	0.0000
	At the end of the year			0	0.0000

ANNEXURE - IV (Contd.)

iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	NRIPAL KRISHNA MAITRA				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
10	GOPAL KRISHNA MAITRA #				
	At the beginning of the year	400	0.0103	400	0.0103
	As on 15/02/2019 - Transfer	(-) 400	(-) 0.0103	0	0.0000
	At the end of the year			0	0.0000
11	BHUPAL KRISHNA MAITRA *				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
12	SUMAN KOTHARI *				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
13	PANNA LAL KOTHARI *				
	At the beginning of the year	160	0.0041	160	0.0041
	At the end of the year			160	0.0041
14	SHANTI DEVI BHUWANIA *				
	At the beginning of the year	160	0.0041	160	0.0041
	At the end of the year			160	0.0041

Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

ANNEXURE - II (Contd.)

v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANAND VARDHAN KOTHARI				
	At the beginning of the year [As on 01/04/2018]	13300	0.3425	13300	0.3425
	At the end of the year [As on 31/03/2019]			13300	0.3425
2	MADAN LAL DAGA				
	At the beginning of the year [As on 01/04/2018]	25	0.0006	25	0.0006
	At the end of the year [As on 31/03/2019]			25	0.0006

ANNEXURE - IV (Contd.)

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**–**	**–**	**–**	**–**
Change in Indebtedness during the financial year				
*Addition	13,000,000.00	–	–	13,000,000.00
*Reduction	–	–	–	–
Net Change	13,000,000.00	–	–	13,000,000.00
Indebtedness at the end of the financial year				
i) Principal Amount	13,000,000.00	–	–	13,000,000.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	13,000,000.00	–	–	13,000,000.00

ANNEXURE - II (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Sri. A. K. Tonshniwal Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,526,000.00	2,526,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission		
	- as % of profit	–	–
	- others, specify…	–	–
5	Others, please specify	–	–
	Total (A)	**2,526,000.00**	**2,526,000.00**
	Ceiling as per the Act *		

* The limit is well within the limits prescribed under the Companies Act, 2013.

ANNEXURE - II (Contd.)

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Sri Surendra Bagri	Sri Ajit Khandelwal	Sri Aniket Agarwal	
	Fee for attending board/ committee meetings	20,000.00	14,000.00	–	34,000.00
	Commission	60,000.00	60,000.00	60,000.00	180,000.00
	Others, please specify	–	–	–	–
	Total (1)	**80,000.00**	**74,000.00**	**60,000.00**	**214,000.00**
2	Other Non-Executive Directors	Sri Anand Vardhan Kothari	Smt. Vedika Kothari	–	
	Fee for attending board/ committee meetings	16,000.00	8,000.00	–	24,000.00
	Commission	60,000.00	60,000.00	–	120,000.00
	Others, please specify	–	–	–	–
	Total (2)	**76,000.00**	**68,000.00**	**–**	**144,000.00**
	Total (B)=(1+2)	**156,000.00**	**142,000.00**	**66,000.00**	**358,000.00**
	Overall Ceiling as per the Act *				

* The remuneration is well within the limits prescribed under the Companies Act, 2013.

ANNEXURE - II (Contd.)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Sri Madan Lal Daga	Chief Financial Officer Sri Rajiv Gupta	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,705,500.00	949,800.00	2,655,300.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	16,800.00	16,800.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	others, specify…	–	–	–
5	Others, please specify	-	-	-
	Total	**1,705,500.00**	**966,600.00**	**2,672,100.00**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE - III

Form AOC – 1

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

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

Part "A" : Subsidiaries

NOT APPLICABLE

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Sl. No.
2. Name of the Subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.
5. Share capital
6. Reserves & Surplus
7. Total assets
8. Total Liabilities
9. Investments
10. Turnover
11. Profit before taxation
12. Provision for taxation
13. Profit after taxation
14. Proposed Dividend
15. % of shareholding

Notes : The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year.

ANNEXURE - III (Contd.)

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates / ~~Joint Ventures~~	**Gillanders Arbuthnot & Company Limited**
1. Latest audited Balance Sheet Date	**28th May, 2019.**
2. Shares of Associate / ~~Joint Ventures~~ held by the company on the year end	
No.	**55,01,078**
Amount of Investment in Associates / ~~Joint Venture~~	**₹ 51,748,615/-**
Extent of Holding %	**25.78 %**
3. Description of how there is Significant influence	**Significant influence arises by adequate voting right.**
4. Reason why the associate / ~~joint venture~~ is not consolidated	**N. A**
5. Networth attributable to Shareholding as per latest audited Balance Sheet	**₹ 6,039.11 Lakh (25.78% of ₹ 23,425.58 Lakh)**
6. Profit / Loss for the year	
i. Considered in Consolidation	**Net Loss ₹ 226.78 Lakh** **&** **Other Comprehensive Income (₹ 14.29) Lakh**
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

On behalf of the Board

Kolkata,
9th August, 2019

R. Gupta	M. L. Daga	A. V. Kothari	A. K. Toshniwal
Chief Financial Officer	Company Secretary M. No. F2650	Director DIN : 02572346	Mg. Director DIN : 06872891

ANNEXURE - IV

INFORMATION PURSUANT TO SEC. 134 (3) (m) OF THE COMPANIES ACT, 2013 AND RULE 8 (3) (A) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of energy:

i. Steps taken or impact on conservation of energy

a. All the motors in the plant are being taken up for preventive maintenance which would conserve power.

b. The earthing around the transformer has been overhauled.

c. Food grade oil, grease and gaskets have been introduced as per GM norms which would improve the performance of heavy duty motors.

d. The replacement of suitable capacity cables are going on inside the plant as a power saving measure.

ii. Steps taken for utilising alternate sources of energy

We are actively studying the implementation of Solar Street Lights as on alternate source of energy.

iii. Capital Investment on Energy Conservation Equipment

No capital expenditures were incurred for Energy Conservation Equipment. However, balancing equipment and devices, Motors, Lamps, capacitors, cables etc. as and when used have been debited to the respective expenditure in the Statement of Profit & Loss.

(B) Technology Absorption:

No new technology was used and as such no marginal benefit of product development has been derived. No research expenditure was incurred in relation to technology absorption.

(C) Foreign Exchange Earnings & Outgo:

Particulars	**2018-19**	2017-18
Earnings (₹)	**1682.66 Lakh**	1607.81 Lakh
Outgo (₹)	**4.60 Lakh**	3.49 Lakh

General Shareholders' Information

Date, time & venue of the Annual General Meeting	Friday 27th September, 2019 at 11.00 A.M. at the Indian Chamber of Commerce, Auditorium 4, India Exchange Place, 10th Floor, Kolkata - 700 001	
Financial Calendar 2019-2020 (tentative and subject to change)	• Financial Year • Annual Results for the year ending 31st March 2020	April to March • Audited Annual Results will be made out within the time stipulated under the Companies Act, 2013.
Dividend Payment Date	After 27th September, 2019 within stipulated time.	
Book Closure Period	Saturday 21st September, 2019 to Friday 27th September, 2019 (both days inclusive)	
E-Voting	Date and Time : From 24th September, 2019 (9.00 a.m.) till 26th September, 2019 (5.00 p.m.)	
NSDL / CDSL – ISIN No.	INE264E01016.	

Distribution of shareholding as on 31st March, 2019

Ordinary Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 – 500	1357	98.33	8238	0.21
501 – 1000	3	0.22	2595	0.07
1001 – 5000	3	0.22	7138	0.18
5001 – 10000	3	0.22	22814	0.59
10001 – 50000	4	0.29	77758	2.00
50001 – 100000	–	–	–	–
Above 100000	10	0.72	3764632	96.95
Total	**1380**	**100**	**3883175**	**100**

Shareholding pattern as on 31st March, 2019

Category	No. of Shares Held	% of Shares Held
Indian Promoters	3859957	99.40
Nationalised Banks & Mutual Funds	–	–
NRI / OCBs	3524	0.09
Public	19694	0.51
Total	**3883175**	**100.00**

Registrars & Share Transfer Agent : Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor,
Kolkata – 700 001.
Ph: (033) 2248 – 2248 / 2243 – 5029
Fax: (033) 2248 – 4787
E-mail: mdpldc@yahoo.com

Share Transfer System : Requests for transfer of shares in physical form are registered and returned within 15 days of lodgement thereof, if the documents are complete in all respects. The Registrars & Share Transfer Agent processes the shares lodged for transfer and the Compliance Officer then monitors and approves the transfer of shares and reports the status of shares transferred to the Company's Board at each of its meetings. The Company also offers the facility of Transfer – cum – Demat to its shareholders. Dematerialisation requests are normally disposed off within a period of 15 Days.

Dematerialisation of Shares and Liquidity : The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i. e. NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996. As on 31st March 2019, shares representing total Ordinary Share Capital of the Company were held as under:

	No. of Shares	Percentage of Total Capital
In Dematerialised form	38,70,166	99.66%
In Physical form	13,009	0.34%
	38,83,175	100%

Commodity Price Risk/Foreign Exchange Risk and Hedging : The Company did not engage in hedging activities.

Plant Locations :

(A) Phytochemical Division
Nagari, Thanichchiyam Post – 625 221
Madurai, Tamilnadu

(B) Claro India Division
B – 7, SIPCOT Industrial Complex,
Gummidipoondi – 601 201, Tamilnadu

Address for Correspondence

(a)	For Transfer of physical shares, request for dematerialization of shares, change of mandates/ address or any other query	:	Maheshwari Datamatics Private Limited 23, R.N. Mukherjee Road, 5th Floor. Kolkata – 700 001 Ph: (033) 2248-2248 / 2243 - 5029 Fax : (033) 2248-4787 Email: mdpldc@yahoo.com
(b)	For any investor grievance	:	The Company Secretary cum Compliance Officer Kothari Phytochemicals & Industries Limited C - 4, Gillander House, 8, N.S. Road, Kolkata – 700 001 Ph: (033) 2230-2331 (6 lines) Email : mldaga1957@yahoo.co.in

A. K. Toshniwal
Managing Director & CEO
DIN : 06872891

Kolkata
9th August, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of **KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Kothari Phytochemicals & Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019 and its Profit, Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT– (Contd.)

Sl. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition :** The Company recognizes revenue when control has been transferred to the customer as detailed out in Significant Accounting Policies, Note 2 (j). The Company has varied contract terms with customers for export sales. There is a risk of inappropriate revenue recognition if deliverables are recorded in the incorrect period or revenue is not accounted for in line with contractual terms with customers. The key audit matter focuses on recognition of revenue by reference to contracted shipping terms and the transfer of ownership for product and delivery spanning the year end.	**Principal audit procedures performed :** We have obtained and understood controls instituted by the management to determine the appropriateness of revenue recorded at the period end and to ensure cut – off. We have performed test of details for revenue transactions to confirm the revenue transactions have been appropriately recorded in the Statement of Profit and Loss and verified the underlying documents to establish that the control of the products have transferred to the customers.
2.	**Recoverability of Investments including in an Associate Company, Loans to Bodies Corporate and Financial Guarantee given for Loan taken by the Associate Company :** The Company has investments in certain Companies including with an Associate Company with a carrying value of ₹ 23,84,86,552/-. The Company has provided Loans to Bodies Corporate. Further, Guarantee has been given for Loan taken by Associate Company which has since been withdrawn. Assessment of the recoverable amount of the Investments in and Loans including interest thereon given to the Bodies Corporate have been identified as a key audit matter.	**Principal audit procedures performed :** We have obtained and read management's assessment for identification of indicators of impairment. We have performed test of controls over impairment process through inspection of evidence of performance of these controls. We have assessed the compliance of the disclosures made in the standalone Ind AS financial statements with accounting standards.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Annual Report, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

INDEPENDENT AUDITORS' REPORT– (Contd.)

- Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- Based on the work we have performed, we conclude that we have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's Financial Reporting process.

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

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

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

INDEPENDENT AUDITORS' REPORT– (Contd.)

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

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

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

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

INDEPENDENT AUDITORS' REPORT– (Contd.)

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

Other matters

We did not audit the financial statements / information of two divisions included in the Standalone Financial Statements of the Company whose financial statements reflect total assets of ₹ 25,44,23,290/- as at 31st March 2019 and total revenues of ₹ 28,60,68,904/- for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements / information of these divisions have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these divisions, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (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 reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing our report.

   (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (e) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   (f) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITORS' REPORT– (Contd.)

(g) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.

(h) 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, refer to Clause (xi) of our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations on its financial position in Note 35.01 of the Standalone Financial Statements.

ii. The Company does not have any long – term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Supratim Roychoudhury
Partner
Membership Number - 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata, 9th August, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the Internal Financial Controls over Financial Reporting of Kothari Phytochemicals & Industries Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the Standalone Ind AS 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 (the "Guidance Note") 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT – (Contd.)

Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2019, 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.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over Financial Reporting in so far as it relates to two divisions of the Company which are based on the corresponding reports of the branch auditors of the respective divisions.

Our opinion is not modified in respect of this matter.

Supratim Roychoudhury
Partner
Membership Number - 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata, 9th August, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   (b) The Property, Plant and Equipment of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

   (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of immovable properties of the Company are in the name of the Company.

2. As explained to us, the Inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.

3. 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 Companies Act, 2013.

4. The Company has complied with the provisions of Sections 185 and 186 of the Act with regard to loan given to Bodies Corporate and Investments made during the year. According to the information and explanations given to us, the Company has given Guarantee in connection with Loan to a Body Corporate.

5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.

6. The Central Government has not specified the maintenance of cost records under Sub – section (1) of Section 148 of the Act.

7. According to the information and explanations given to us, in respect of Statutory Dues:

   (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax as at 31st March 2019, which have not been deposited on account of any dispute other than Sales Tax dues as set out below:

Name of Statute	Nature of Dues	Amount ₹	Period of which the amount related	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	3,22,570	1986 – 89	The Tamil Nadu Taxation special Tribunal as per directions of the High Court at Madras

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company has not taken any loans or borrowings from any Financial Institutions or Government. The Company has not issued any debentures.

9. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of Initial Public Offer or further Public Offer (including Debt Instruments) or term loans during the year and hence reporting under clause (ix) of CARO 2016 is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its Directors during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 including amendments thereto.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

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

14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non cash transactions with its Directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

16. The Company is not required to be registered under section 45 – 1A of the Reserve Bank of India Act, 1934.

Supratim Roychoudhury
Partner
Membership Number - 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata, 9th August, 2019

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

	Note	**As at 31st March, 2019 ₹**	As at 31st March, 2018 ₹
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	3	54,580,741	60,398,464
Capital Work - in - progress		32,800,345	30,697,845
Intangible Assets	4	32,591	55,739
Investments in Associates	5	51,748,615	51,748,615
Financial Assets			
i. Investments	5	229,237,937	123,448,133
ii. Other Financial Assets	6	2,338,031	2,051,701
Other Non - Current Assets	7	279,127	906,627
Total Non - Current Assets		371,017,387	269,307,124
Current Assets			
Inventories	8	66,736,726	61,898,926
Financial Assets			
i. Trade Receivables	9	17,970,550	12,744,035
ii. Cash and Cash Equivalents	10	61,569,581	26,101,614
iii. Bank Balances other than Cash and Cash Equivalents	11	22,732,293	67,657,175
iv. Loans	12	51,500,000	100,000,000
v. Other Financial Assets	13	2,230,382	2,764,985
Current Tax Assets (Net)	14	1,634,597	4,368,392
Other Current Assets	15	9,190,183	5,735,043
Total Current Assets		233,564,312	281,270,170
Total Assets		**604,581,699**	**550,577,294**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	38,831,750	38,831,750
Other Equity			
Reserves and Surplus	17	521,110,946	479,215,298
Total Equity		559,942,696	518,047,048
LIABILITIES			
Non - Current Liabilities			
Provisions	18	2,221,857	1,109,330
Deferred Tax Liabilities (Net)	19	6,242,732	5,845,008
Total Non - Current Liabilities		8,464,589	6,954,338
Current Liabilities			
Financial Liabilities			
i. Borrowings	20	13,000,000	–
ii. Trade Payables	21	16,367,665	18,136,238
iii. Other Financial Liabilities	22	4,622,249	4,637,809
Other Current Liabilities	23	506,724	487,174
Provisions	18	1,677,776	2,314,687
Total Current Liabilities		36,174,414	25,575,908
Total Liabilities		44,639,003	32,530,246
Total Equity and Liabilities		**604,581,699**	**550,577,294**
Significant Accounting Policies	2		

This is the Balance Sheet referred to in our report of even date.

The Notes referred to above form an integral part of the Standalone financial statements

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta
Chief Financial Officer

M. L. Daga
Company Secretary
M. No. F2650

A. V. Kothari
Director
DIN : 02572346

A. K. Toshniwal
Mg. Director
DIN : 06872891

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

INCOME :	Note	**2018 – 2019**	2017– 2018
		₹	₹
Revenue from Operations	24	280,336,419	240,008,281
Other Income	25	24,559,616	23,847,302
Total Revenue		304,896,035	263,855,583
EXPENDITURE :			
Cost of Materials Consumed	26	114,526,636	97,397,911
Purchases of Stock - in - Trade		21,369	11,424,000
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	27	33,842,776	8,922,524
Employee Benefits Expense	28	34,074,184	31,597,080
Finance Costs	29	486,736	681,874
Depreciation and Amortisation Expense	30	8,872,325	9,197,315
Power & Fuel	31	12,342,665	11,363,618
Other Expenses	32	27,988,592	29,463,742
Total Expenses		232,155,283	200,048,064
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		72,740,752	63,807,519
Exceptional Items		–	–
PROFIT BEFORE TAX		72,740,752	63,807,519
Tax Expense	33		
- Current Tax		16,500,000	14,700,000
- Deferred Tax (Net)		370,811	3,179,675
Total Tax Expenses		16,870,811	17,879,675
PROFIT FROM CONTINUING OPERATIONS		55,869,941	45,927,844
PROFIT AFTER TAX FROM DISCONTINUING OPERATIONS		–	31,590,178*
*(Refer Note - 41 (b))			
PROFIT FOR THE YEAR		55,869,941	77,518,022
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Post - Employment benefit obligations		96,740	318,495
Tax Expense on the above		(26,913)	(106,326)
Other Comprehensive Income for the year		69,827	212,169
Total Comprehensive Income for the year		55,939,768	77,730,191
EARNINGS PER ORDINARY SHARE OF Rs. 10/- EACH	34		
For Continuing Operations :			
Basic and Diluted		14.39	11.83
For Discontinued Operations :			
Basic and Diluted		–	8.14
For Continuing and Discontinued Operations :			
Basic and Diluted		14.39	19.97

This is the Satement of Profit and Loss referred to in our report of even date.

The Notes referred to above form an integral part of the Standalone financial statements

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta	M. L. Daga	A. V. Kothari	A. K. Toshniwal
Chief Financial Officer	Company Secretary	Director	Mg. Director
	M. No. F2650	DIN : 02572346	DIN : 06872891

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018 – 2019		2017 – 2018	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities :				
Profit before Tax from				
Continuing Operations		72,740,752		63,807,519
Discontinued Operations (Note No.41)		–		40,190,178
Profit before Tax including Discontinued Operations		72,740,752		103,997,697
Adjustments for :				
Net Gain on Disposal of Property, Plant and Equipment of Discontinued Division (Note No.41)	–		(45,232,551)	
Depreciation and Amortisation Expense				
From Continuing Operations	8,872,325		9,197,315	
From Discontinued Operations (Note No.41)	–		136,958	
Dividend Income from Non-Current Investment	(556,541)		(492,615)	
Net (Gain)/Loss on sale of Non-Current Investments	(3,426,611)		(8,653,985)	
Net Fair Value Gain on Non-Current Investments measured at FVTPL	(6,141,581)		(434,804)	
Expected Credit Loss on Trade Receivables Written Back	(1,567)		(57,412)	
Bad & Sundry Receivables written off	105		246,694	
Interest (Net)	(13,434,209)		(12,930,892)	
Liabilities & Provisions no longer required written back	(466,227)	(15,154,306)	(252,119)	(58,473,411)
Operating Profit before Working Capital Changes		57,586,446		45,524,286
Adjustments for :				
Trade and Other Receivables	(8,319,023)		6,526,162	
Inventories	(4,837,800)		35,818,280	
Trade and Other Payables	(501,118)	(13,657,941)	(11,322,374)	31,022,068
Cash Generated from Operations		43,928,505		76,546,354
Direct Taxes - (Payments)/Refunds (Net)	(13,766,205)	(13,766,205)	(18,839,355)	(18,839,355)
Net Cash (Used in) / From Operating Activities		**30,162,300**		**57,706,999**
B. Cash Flow From Investing Activities :				
Purchase of Property, Plant and Equipment/ Intangible Assets	(5,133,954)		(6,809,257)	
Proceeds from Disposal of Property,Plant and Equipment				
From Continuing Operations	–		–	
From Discontinued Operations	–		47,318,204	
Dividend Received	556,541		492,615	
Purchase of Non- Current Investments	(150,444,892)		(59,403,411)	
(Increase) / Decrease in Loans Given	48,500,000		(5,000,000)	
Proceeds from Sale of Non- Current Investments	54,223,280		34,564,396	
Interest Received	14,435,548		13,554,960	
Net Cash (Used in) / From Investing Activities		**(37,863,477)**		**24,717,507**

STANDALONE CASH FLOW STATEMENT (Cont.)

	2018 – 2019		2017 – 2018	
	₹	₹	₹	₹
C. Cash Flow from Financing Activities				
Repayment of Short Term Borrowings from Bank	13,000,000		(10,000,000)	
Repayment of Short Term Borrowings from Others	–		(20,000,000)	
Interest Paid	(486,736)		(1,356,504)	
Dividends Paid	(11,874,407)		(11,625,810)	
Tax on Dividend Paid	(2,394,595)		(2,371,570)	
Net Cash (Used in) / From Financing Activities		**(1,755,738)**		**(45,353,884)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		**(9,456,915)**		**37,070,622**
Cash and Cash Equivalents (Note No. 10 & 11)				
Opening	**93,758,789**		**56,688,167**	
Closing	**84,301,874**	**(9,456,915)**	**93,758,789**	**37,070,622**

NOTES :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 on Cash Flow Statement. Refer Note 41for Disclosures relating to Discontinued Operations.
2. Previous year's figures have been regrouped / re-arranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta	M. L. Daga	A. V. Kothari	A. K. Toshniwal
Chief Financial Officer	Company Secretary	Director	Mg. Director
	M. No. F2650	DIN : 02572346	DIN : 06872891

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
A) EQUITY SHARE CAPITAL		
Opening Balance	38,831,750	38,831,750
Add/(Less):Changes in Equity Share Capital during the year	–	–
Closing Balance	**38,831,750**	**38,831,750**
B) OTHER EQUITY		
RESERVES AND SURPLUS		
Capital Reserve		
Balance at the beginning of the year	9,193,040	9,193,040
Balance at the end of the year	**9,193,040**	**9,193,040**
Securities Premium Account		
Balance at the beginning of the year	1,450,657	1,450,657
Balance at the end of the year	**1,450,657**	**1,450,657**
General Reserve		
Balance at the beginning of the year	408,735,809	358,735,809
Add : Transferred from Statement of Profit and Loss	50,000,000	50,000,000
Balance at the end of the year	**458,735,809**	**408,735,809**
Retained Earning		
Balance at the beginning of the year	59,835,792	46,126,696
Add : Profit for the year	55,869,941	77,518,022
Add : Other Comprehensive Income for the year	69,827	212,169
Total for the year	**115,775,560**	**123,856,887**
Less : Appropriations :		
Transferred to General Reserve	50,000,000	50,000,000
Dividend Paid	11,649,525	11,649,525
Tax on Dividend	2,394,595	2,371,570
Total appropriations	**64,044,120**	**64,021,095**
Balance at the end of the year	**51,731,440**	**59,835,792**
Total	**521,110,946**	**479,215,298**

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta	M. L. Daga	A. V. Kothari	A. K. Toshniwal
Chief Financial Officer	Company Secretary M. No. F2650	Director DIN : 02572346	Mg. Director DIN : 06872891

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 1

BASIS OF PREPARATION :

(a) Statement of Compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The financial statements upto and for the year ended 31 March 2017 were prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company had prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention.

The financial statements are approved by the Board of Directors of the Company at their meeting held on 9th August, 2019.

Details of the Company's accounting policies are included in Note 2.

(b) Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

(c) The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

	Items	Measurement basis
(i)	Certain financial assets and financial liabilities	Fair value
(ii)	Employee's defined benefit plan	As per actuarial valuation
(iii)	Assets held for sale	Lower of its carrying amount and fair value costs to sale

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of Estimates and Judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and Estimation Uncertainties

In the process of applying the Company's accounting policies, management has made the following judgments, which have most effect on the amounts recognized in the financial statements.

- Estimation of Useful life and residual value of property, plant and equipment;
- Determining the fair values of investments, in particular of the unlisted securities;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Recognition of deferred tax assets; availability of future taxable profit against which carried forward tax losses can be used;
- Estimation of defined benefit obligations: key actuarial assumptions;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

(e) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

– Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 40 B.

Determination of Fair Values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Financial Assets

The fair value of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques.

(ii) Trade and Other Receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short – term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iii) Financial Liabilities

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

(f) Current and Non – Current Classification

All assets and liabilities are classified as current or Non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) It is held primarily for the purpose of being traded;

(iii) It is expected to be realized within 12 months after the reporting date; or

(iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non – current financial assets.

All other assets are classified as non – current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) It is expected to be settled in the Company's normal operating cycle;

(ii) It is held primarily for the purpose of being traded;

(iii) It is due to be settled within 12 months after the reporting date; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non – current financial liabilities.

All other liabilities are classified as non – current.

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

Operating Cycle

For the purpose of current / non – current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 2

SIGNIFICANT ACCOUNTING POLICIES:

(a) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection / commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work – in – progress.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has selected to continue with the carrying value of all of its property, plant and equipment recognized as on 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment [See Note 3].

(iii) Subsequent Expenditure

Subsequent costs are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iv) Depreciation

Depreciation for the year is recognized in the Statement of Profit and loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets.

The useful lives have been determined based on technical evaluation done by the management and are in line with the useful life specified in Part C of Schedule II to the Companies Act; 2013. The residual values are not more than 5 % of the original cost of the asset.

Depreciation on additions / (disposals) is provided on a pro – rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Freehold land is not depreciated.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

Depreciation method, useful lives and residual values of property, plant and equipment are reviewed at each financial year – end and adjusted prospectively, if appropriate.

(v) Capital work – in – Progress (CWIP)

Capital work – in – progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on project under implementation are treated Pre – operative expenses pending location to the asset and are shown under CWIP.

(b) Intangible Assets

(i) Computer Software

Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization.

(ii) Amortisation

Amortisation is calculated to write off the cost of Intangible assets over their estimated useful lives using the straight – line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Class of assets	Management estimate of useful life (in years)
Computer Software	3

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted, if appropriate.

(iii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

(c) Inventories

Inventories are valued as under:

Raw Materials	–	At cost on weighted average method / FIFO
Stores and Spare Parts	–	At cost on weighted average method / FIFO
Materials in Process	–	At estimated Cost
Finished Goods	–	At cost on weighted average method or Net Realizable Value, whichever is lower

Cost of Inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Net Realizable Value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(d) Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non – monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non – monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction.

Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

(e) Impairment

(i) Impairment of Financial Instruments: Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Impairment of Non – Financial Assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash – generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be indentified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available Fair Value indicators.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

(f) Financial Instruments

(i) Recognition and Initial Measurement

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

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

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balance and derivative financial instruments.

The financial liabilities include trade and other payables, loans and borrowings including bank overdraft, derivative financial instruments etc.

(ii) Classification and Subsequent Measurement of Financial Assets

On initial recognition, a financial asset is classified and measured at:

– amortised cost; or
– fair value through other comprehensive income (FVOCI) - Equity Investment; or
– fair value through profit or loss (FVTPL)

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

Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL.

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

Financial Assets at Fair Value through other Comprehensive Income (FVOCI)

On initial recognition of an equity investment that is not held for trading the Company may irrevocably elect to present subsequent changes in the investment's fair value in

OCI (designated as FVOCI - equity investment). This election is made on an investment – by – investment basis.

Financial assets are measured at the FVOCI if both the following conditions are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial Assets at Fair Value through Profit or Loss (FVTPL)

All financial assets which do not meet the criteria for categorization as at amortised cost or FVOCI as described above are classified as at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial Assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to Statement of Profit and Loss.

Financial Liabilities: Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held – for – trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss.

(iii) Derecognition

Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(g) Employee Benefits

(i) Short – Term Employee Benefits

Short – term employee benefit obligations are measured on an undiscounted basis and are expected as the related service is provided. A liability is recognized for the amount expected to be paid, if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined Contribution Plans

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when contributions are made to the related schemes.

(iii) **Defined Benefit Plans**

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

(iv) **Compensated Absences**

The employees of the company are entitled to compensated absences which are both accumulating and non – accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognized in profit or loss in the period in which they arise.

(h) Provision (other than for Employee Benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(i) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

(j) Recognition of Revenue

Revenue is recognized to the extent it is probable that economic benefits would flow to the company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of products is passed to the buyer as per terms of contract which usually happens on delivery of goods.

(k) Expenses

All expenses are accounted for on accrual basis.

(l) Leases

(i) Assets held under Leases

Lease of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as Finance Leases.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

(ii) Lease Payments

Payments made under operating leases are generally recognized in Statement of Profit and Loss on straight – line basis over the term of Lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

(m) Income Tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of profit and Loss.

(i) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable Tax rates and the provisions of the Income Tax Act, 1961 and other applicable Tax Laws.

(ii) Deferred Tax

Deferred tax is provided, on all temporary differences at the reporting date between the carrying amount of assets and liabilities for financial reporting purposes and its tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets include Minimum Alternate Tax (MAT) paid (tax credit) in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

(n) Segment Accounting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision – maker (CODM).

The chief operating decision – maker, who is responsible for allocation resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realizable value in case of by – products.

(ii) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and / or on a reasonable basis, have been disclosed as "Unallocable".

o) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a Substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(p) Cash and Cash Equivalents

Cash and cash equivalents include cash and cash – on – deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non – cash nature, any deferrals or accruals of past or future operating cash receipts of payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(r) Earnings Per Share

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

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

(s) Interest in Associate

Investments in associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 3

PROPERTY, PLANT AND EQUIPMENT
Year ended 31st March, 2019

	Leasehold Land ₹	Freehold Land ₹	Buildings ₹	Plant and Equipment ₹	Eelectric Installation ₹	Computers ₹	Office Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Tubewell and Water Works ₹	Total ₹
Gross Carrying Amount											
Opening Gross Carrying Amount	1,262,400	1,985,283	40,301,082	128,606,251	5,693,662	1,177,466	3,294,771	510,307	3,680,113	519,916	187,031,251
Additions during the year	–	–	–	2,946,814	9,000	36,500	39,140	–	–	–	3,031,454
On Disposals / Adjustments during the year	–	–	–	–	–	–	–	–	–	–	–
Closing Gross Carrying Amount	1,262,400	1,985,283	40,301,082	131,553,065	5,702,662	1,213,966	3,333,911	510,307	3,680,113	519,916	190,062,705
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2018	331,554	–	18,750,297	96,977,194	5,255,521	1,034,355	1,480,808	428,268	2,284,283	90,507	126,632,787
Depreciation charge during the year	12,752	–	978,214	7,233,763	30,294	65,505	85,619	11,662	332,584	98,784	8,849,177
On Disposals / Adjustments during the year	–	–	–	–	–	–	–	–	–	–	–
Closing Accumulated Depreciation	344,306	–	19,728,511	104,210,957	5,285,815	1,099,860	1,566,427	439,930	2,616,867	189,291	135,481,964
Net Carrying Amount	918,094	1,985,283	20,572,571	27,342,108	416,847	114,106	1,767,484	70,377	1,063,246	330,625	54,580,741

Year ended 31st March, 2018

	Leasehold Land ₹	Freehold Land ₹	Buildings ₹	Plant and Equipment ₹	Eelectric Installation ₹	Computers ₹	Office Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Tubewell and Water Works ₹	Total ₹
Gross Carrying Amount											
Deemed Cost as at 1st April, 2017	1,262,400	2,074,532	37,915,717	135,132,987	6,419,262	1,117,238	1,778,383	588,006	3,680,113	314,863	190,283,501
Additions during the year	–	–	4,332,710	6,657,166	–	115,503	1,589,925	–	–	205,053	12,900,357
On Disposals / Adjustments during the year	–	89,249	1,947,345	13,183,902	725,600	55,275	73,537	77,699	–	–	16,152,607
Closing Gross Carrying Amount	1,262,400	1,985,283	40,301,082	128,606,251	5,693,662	1,177,466	3,294,771	510,307	3,680,113	519,916	187,031,251
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2017	318,802	–	19,395,103	100,898,363	5,912,037	1,032,122	1,439,343	489,778	1,890,438	6,843	131,382,829
Depreciation charge during the year	12,752	–	932,796	7,686,401	29,892	54,744	110,943	11,875	393,845	83,664	9,316,912
On Disposals / Adjustments during the year	–	–	1,577,602	11,607,570	686,408	52,511	69,478	73,385	–	–	14,066,954
Closing Accumulated Depreciation	331,554	–	18,750,297	96,977,194	5,255,521	1,034,355	1,480,808	428,268	2,284,283	90,507	126,632,787
Net Carrying Amount	930,846	1,985,283	21,550,785	31,629,057	438,141	143,111	1,813,963	82,039	1,395,830	429,409	60,398,464

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 4

INTANGIBLE ASSETS

Year ended 31st March, 2019

	Software ₹	Total ₹
Gross Carrying Amount		
Opening Gross Carrying Amount	73,100	73,100
Additions	–	–
Disposals	–	–
Closing Gross Carrying Amount	**73,100**	**73,100**
Accumulated Amortisation		
Opening accumulated amortisation	17,361	17,361
Amortisation charge for the year	23,148	23,148
Closing Accumulated Amortisation	**40,509**	**40,509**
Closing Net Carrying Amount	**32,591**	**32,591**

Year ended 31st March, 2018

	Software ₹	Total ₹
Gross Carrying Amount		
Deemed Cost as at 1st April, 2017	–	–
Additions	73,100	73,100
Disposals	–	–
Closing Gross Carrying Amount	**73,100**	**73,100**
Accumulated Amortisation		
Amortisation charge for the year	17,361	17,361
Disposals	–	–
Closing Accumulated Amortisation	17,361	17,361
Closing Net Carrying Amount	**55,739**	**55,739**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 5

		Face Value	As at 31st March, 2019 Number of Shares / Units	As at 31st March, 2019 ₹	As at 31st March, 2018 Number of Shares / Units	As at 31st March, 2018 ₹
NON - CURRENT INVESTMENTS						
A.	**INVESTMENT IN ASSOCIATES:**					
	In Equity Instruments - Quoted, fully paid up - at Cost					
	Gillanders Arbuthnot & Company Limited	10	5,501,078	51,748,615	5,501,078	51,748,615
	TOTAL A			**51,748,615**		**51,748,615**
B.	**INVESTMENT IN OTHERS:**					
(i)	**In Equity Instruments - Quoted, fully paid up at FVTPL**					
	Welspun Corporation Limited	5	6,000	817,200	6,000	807,600
	Kesoram Textile Mills Limited	2	104	–	104	–
	Vijaya Bank Limited	10	500	23,025	500	25,950
	Xpro India Limited	10	195	6,708	195	9,116
	Albert David Limited	10	61,589	24,072,060	61,589	22,446,111
	Balmer Lawrie & Company Limited	10	700	129,570	700	152,040
	Electrosteel Castings Limited	1	11,000	218,900	13,000	317,200
	GMR Infrastructure Limited	1	6,000	118,800	6,000	102,000
	Deccan Cements Limited	5	500	207,475	500	253,350
	IOL Chemicals and Pharmaceuticals Limited	10	–	–	4,500	357,750
	Jai Prakash Associates Limited	2	3,800	20,710	3,800	72,010
	Titan Company Limited	1	–	–	500	470,600
	Graphite India Limited	2	2,500	1,117,250	1,500	1,089,675
	Inox Leisure Limited	10	500	164,700	500	132,225
	Larsen and Toubro Limited	2	1,800	2,493,540	1,800	2,361,420
	Tata Steel Limited	10	2,600	1,354,600	2,600	1,484,340
	Pilani Investments & Industries Corporation Limited.	10	2,929	6,309,652	2,929	7,395,725
	Cimmco Limited	10	60	1,980	60	4,710
	Tata Steel Limited (Partly Paid)	10	200	–	200	–
	The West Coast Paper Mills Limited	2	1,000	267,150	1,000	239,400
	Kajaria Ceramics Limited	1	300	176,955	–	–
	TOTAL B (i)			**37,500,275**		**37,721,222**
(ii)	**In Equity Instruments - Unquoted, fully paid up at FVTPL**					
	Tulip Tea Company Limited	25	1,160	9,110	1,160	9,110
	Aaham Printers Private Limited (in Liquidation)	100	15	1	15	1
	Satyam Financial Services Limited	10	250,000	3,750,000	250,000	3,750,388
	Vidyasagar Industries Private Limited	10	450,000	4,500,000	450,000	4,500,000
	Bharat Fritz Werner Limited	2	771,504	99,524,016	296,504	30,237,478
	Bharat Fritz Werner Limited DVR	2	2,000	258,000	2,000	203,960
	TOTAL			**108,041,127**		**38,700,937**
	Less: Provision for Diminution in carrying amount of Investments			4,500,000		4,500,000
	TOTAL B (ii)			**103,541,127**		**34,200,937**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 5 (Contd.)

	Face Value	As at 31st March, 2019 Number of Shares / Units	₹	As at 31st March, 2018 Number of Shares / Units	₹
(iii) In Mutual Funds - Quoted, fully paid up at FVTPL					
ICICI Prudential Value Discovery Fund - Growth	10	–	–	11,959.6190	1,662,746
Aditya Birla Sun Life Top 100 Fund - Growth - Regular Plan -	10	–	–	90,356.1120	4,959,186
ICICI Prudential Balanced Fund - Growth	10	–	–	83,118.6100	10,381,514
IDFC Classic Equity Fund - Growth - (Regular Plan)	10	–	–	179,313.3390	7,863,894
L & T India Prudence Fund - Growth	10	–	–	397,645.9360	10,168,602
Motilal Oswal Focused 25 Fund Regular - Growth Option	10	–	–	245,119.6670	5,028,017
Reliance Regular Savings Fund - Balanced Plan - Growth Plan Growth Option	10	–	–	214,904.8590	11,462,015
Aditya Birla Sun Life Frontline Equity Fund - Growth - Direct Plan	10	41,630.2400	9,999,583	–	–
Reliance Large Cap Fund - Direct Growth Plan Growth Option	10	266,702.9380	9,999,520	–	–
IDFC Core Equity Fund - Growth - (Regular Plan)	10	219,828.5340	9,997,802	–	–
Mirae Asset India Equity Fund - Direct Plan - Growth Growth	10	185,120.0500	9,999,630	–	–
Kotak Equity Arbitrage Fund - Direct Plan - Growth	10	209,535.7130	5,700,000	–	–
Kotak Standard Multicap Fund - Direct Plan - Growth (Alloted on 01.04.2019)	10	264,515.2760	10,000,000	–	–
Reliance Liquid Fund - Growth Plan - Growth Option (Alloted on 01.04.2019)	10	3,303.8800	15,000,000	–	–
IDFC Cash Fund - Growth - (Regular Plan) (Alloted on 01.04.2019)	10	1,107.2340	2,500,000	–	–
HDFC Liquid Fund - Regular Plan - Growth (Alloted on 01.04.2019)	10	2,731.4830	10,000,000	–	–
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan (Alloted on 01.04.2019)	10	16,718.8410	5,000,000	–	–
TOTAL B (iii)			**88,196,535**		**51,525,974**
TOTAL B (i to iii)			**229,237,937**		**123,448,133**
TOTAL (A + B)			**280,986,552**		**175,196,748**
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)			**177,445,425**		**140,995,811**
Aggregate carrying amount of unquoted investments			**103,541,127**		**34,200,937**
			280,986,552		**175,196,748**
Aggregate Market Value of Quoted Investments in Associates			262,951,528		339,966,620
Aggregate Market Value of Quoted Investments other than Associates			37,500,275		37,721,222
Aggregate Book Value of Unquoted Investments			108,041,127		38,700,937
Aggregate Repurchase price of Mutual Funds			88,196,535		51,525,974

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
NOTE - 6		
OTHER FINANCIAL ASSETS (NON-CURRENT)		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	2,338,031	2,051,701
	2,338,031	**2,051,701**
NOTE - 7		
OTHER NON - CURRENT ASSETS		
Capital Advances	264,127	891,627
Others	67,521	67,521
	331,648	959,148
Less: Provision for Doubtful Advances	52,521	52,521
	279,127	**906,627**
NOTE - 8		
INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	50,067,950	12,173,650
Materials - in - Process	12,069,310	44,627,893
Finished Goods	1,109,058	2,393,251
Stores and Spare Parts	3,490,408	2,704,132
	66,736,726	**61,898,926**
NOTE - 9		
TRADE RECEIVABLES		
(Unsecured)		
Considered Good	17,970,550	12,744,035
Considered Doubtful	–	1,567
	17,970,550	12,745,602
Less : Allowances for Doubtful Receivables	–	1,567
	17,970,550	**12,744,035**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 10

CASH AND CASH EQUIVALENTS

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Balances with Banks		
- In Current Accounts	31,525,222	25,559,757
Fixed Deposits of Maturity of Less than 3 Months	30,000,000	500,000
Cash in Hand	44,359	41,857
	61,569,581	**26,101,614**

NOTE - 11

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Other Bank Balances		
Fixed Deposits with Bank of Maturity more than 3 months but less than 12 months	22,500,000	67,200,000
Balances with Banks		
- Unpaid Dividend Account	232,293	222,364
- Unpaid Fractional Amount of Shares	–	234,811
	22,732,293	**67,657,175**

NOTE - 12

LOANS

Loans to Bodies Corporates	51,500,000	100,000,000
	51,500,000	**100,000,000**

NOTE - 13

OTHER FINANCIAL ASSETS (CURRENT)

Advance to Employees	–	20,000
Interest accrued on Loans and Deposits	2,230,382	2,744,985
	2,230,382	**2,764,985**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
NOTE - 14		
CURRENT TAX ASSETS (NET)		
Advance Income Tax (Net of Provisions)	1,634,597	4,368,392
	1,634,597	**4,368,392**
NOTE - 15		
OTHER CURRENT ASSETS		
Advances to Suppliers & Others	1,194,300	49,290
Balance with Statutory / Government Authorities	5,379,812	4,604,254
Export Incentive Receivable	1,486,037	40,371
Others	1,130,034	1,041,128
	9,190,183	**5,735,043**

	As at 31st March, 2019 Number of of Shares	₹	As at 31st March, 2018 Number of of Shares	₹
NOTE - 16				
SHARE CAPITAL :				
AUTHORISED :				
Preference Shares of ₹ 100/- each.	300,000	30,000,000	300,000	30,000,000
Ordinary Shares of ₹ 10/- each.	17,000,000	170,000,000	17,000,000	170,000,000
		200,000,000		**200,000,000**
ISSUED, SUBSCRIBED AND PAID UP:				
Ordinary Shares of ₹ 10/- each fully paid-up.	3,883,175	38,831,750	3,883,175	38,831,750
		38,831,750		**38,831,750**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 16 (Contd.)

16.1 The Company has issued Ordinary shares having a par value of ₹10/- per share. Each holder of Ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of Ordinary shares will be entitled to receive remaining assets of the Company, after payment of Secured, Unsecured Liabilities and Other Creditors. The distribution will be in proportion to the number of Ordinary shares held by the shareholders.

16.2 The details of shareholders holding more than 5% shares.

Name	**As at 31st March 2019**		As at 31st March 2018	
	% held	**No. of Shares**	% held	No. of Shares
Commercial House Private Limited	19.45%	755414	19.45%	755414
Kothari & Company Private Limited	15.32%	594960	15.32%	594960
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
Kothari Investment & Industries Private Limited	19.33%	750720	19.33%	750720
Vishnuhari Investments & Properties Limited	12.66%	491568	12.66%	491568
Bhaktwatsal Investments Limited	5.52%	214459	5.52%	214459
G. Das & Company Private Limited	5.55%	215491	–	–

16.3 The reconcilation of the number of shares outstanding is set out below.

	As at 31st March, 2019	As at 31st March, 2018
Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Ordinary Shares at the end of the year	**3,883,175**	**3,883,175**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 17

	As at 31st March, 2019	As at 31st March 2018
	₹	₹
OTHER EQUITY		
RESERVES AND SURPLUS		
Capital Reserve		
Balance at the beginning of the year	9,193,040	9,193,040
Balance at the end of the year	**9,193,040**	**9,193,040**
Securities Premium Account		
Balance at the beginning of the year	1,450,657	1,450,657
Balance at the end of the year	**1,450,657**	**1,450,657**
General Reserve		
Balance at the beginning of the year	408,735,809	358,735,809
Add : Transferred from Statement of Profit and Loss	50,000,000	50,000,000
Balance at the end of the year	**458,735,809**	**408,735,809**
Retained Earning		
Balance at the beginning of the year	59,835,792	46,126,696
Add : Profit for the year	55,869,941	77,518,022
Add : Other Comprehensive Income for the year	69,827	212,169
Total for the year	**115,775,560**	**123,856,887**
Less : Appropriations :		
Transferred to General Reserve	50,000,000	50,000,000
Dividend Paid	11,649,525	11,649,525
Tax on Dividend	2,394,595	2,371,570
Total appropriations	**64,044,120**	**64,021,095**
Balance at the end of the year	**51,731,440**	**59,835,792**
	521,110,946	**479,215,298**

17.1 The Board of Directors recommended a dividend of ₹ 3.50 per share for the year ended 31st March, 2019 on fully paid ordinary shares. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated ordinary dividend to be paid is ₹ 13,591,113/-. Tax on such dividend has also not been included as a liability in these financial statements.

NOTE - 18

	As at 31st March, 2019			As at 31st March, 2018		
	Current	**Non - Current**	**Total**	Current	Non - Current	Total
	₹	₹	₹	₹	₹	₹
PROVISIONS						
Employee Benefit Obligation						
Leave Obligations	1,324,396	680,844	2,005,240	1,275,622	607,382	1,883,004
Gratuity	353,380	1,541,013	1,894,393	1,039,065	501,948	1,541,013
	1,677,776	**2,221,857**	**3,899,633**	**2,314,687**	**1,109,330**	**3,424,017**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 19

	As at 31st March, 2019				As at 31st March, 2018			
	Opening Balance	**Recognised in Profit or Loss**	**Recognised in other Comprehensive Income**	**Closing Balance**	Opening Balance	Recognised in Profit or Loss	Recognised in other Comprehensive Income	Closing Balance
	₹	₹	₹	₹	₹	₹	₹	₹
DEFERRED TAX LIABILITIES (NET)								
Deferred Tax Liabilities arising out of :								
Timing Difference on Depreciable Assets	5,489,918	(1,609,599)	–	3,880,319	4,660,671	829,247	–	5,489,918
Fair Valuation of Investments	3,178,930	1,703,022	–	4,881,952	372,651	2,806,279	–	3,178,930
Total Deferred Tax Liabilities	**8,668,848**	**93,423**	**–**	**8,762,271**	**5,033,322**	**3,635,526**	**–**	**8,668,848**
Deferred Tax Assets arising out of :								
Provision for Doubtful Receivables	523	(523)	–	–	19,500	(18,977)	–	523
Provision for Dimunition in Value of Investments	1,502,280	(250,380)	–	1,251,900	1,487,835	14,445	–	1,502,280
Accrued Expenses Deductable on Payment basis	1,321,037	(26,485)	(26,913)	1,267,639	966,980	460,383	(106,326)	1,321,037
Total Deferred Tax Assets	**2,823,840**	**(277,388)**	**(26,913)**	**2,519,539**	**2,474,315**	**455,851**	**(106,326)**	**2,823,840**
	5,845,008	**370,811**	**26,913**	**6,242,732**	**2,559,007**	**3,179,675**	**106,326**	**5,845,008**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 20

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
BORROWINGS		
Loans repayable on demand		
Secured		
PHYTOCHEMICALS DIVISION		
- From Vijaya Bank		
Packing Credit	13,000,000	–
Exclusive First Charge on Entire Stocks of Raw Materials, Semi Finished and Finished Goods and further secured by deposit of Title Deeds of 23.24 acres Land situated at Nagari and the entire Fixed Assets of the Division. Stock against Packing Credit Limit facility shall be backed by firm Export Orders.		
	13,000,000	–

NOTE - 21

TRADE PAYABLES		
Dues of Micro & Small Enterprises	–	–
Others	16,367,665	18,136,238
	16,367,665	**18,136,238**

(As per information available with the Company no amount is due to Micro, Small and Medium Enterprises)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 22

OTHER FINANCIAL LIABILITIES

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Unpaid Fractional amount of shares	–	234,811
Commission Payable	335,865	537,303
Employees Dues Payable	2,000,427	1,861,442
Unpaid Dividends	232,293	222,364
Others	2,053,664	1,781,889
	4,622,249	**4,637,809**

NOTE - 23

OTHER CURRENT LIABILITIES

Statutory Dues Payables	506,724	487,174
	506,724	**487,174**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 24	**2018 – 2019**		2017 – 2018	
	₹	₹	₹	₹
REVENUE FROM OPERATIONS				
SALE OF PRODUCTS				
Calcium Sennoside	2,703,500		5,547,709	
Brucine & its Salts	1,047,950		6,883,277	
Strychnine & its Salts	141,471,260		132,591,880 **	
Tolbutamide	22,823,452		10,375,206	
Chlorpropamide	5,818,706		9,056,450	
Formaldehyde	2,499,282		2,702,531	
Paraformaldehyde	10,002,496		9,726,132	
Phenolic Resin	85,576,258		60,767,813	
PTS Urea	–		2,000	
Crude Drugs	49,750 *		–	
		271,992,654		237,652,998
OTHER OPERATING REVENUE				
Export Incentives	5,217,941		2,329,433	
Claims Received	31,611		–	
Sale of Scrap	3,065,913		–	
Miscellaneous Receipts	28,300		25,850	
		8,343,765		2,355,283
		280,336,419		**240,008,281**

* Represents Sale of Traded Goods.

** Including Sale of Traded Goods ₹15,663,885/-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 25	2018 – 2019 ₹	₹	2017 – 2018 ₹	₹
OTHER INCOME				
Income from Financial Asset				
- Interest on Advances, Deposits and Others - Gross	13,920,945		13,612,766	
- Dividend Income from Non - Current Investment	556,541		492,615	
- Net Gain / (Loss) on Sale of Non - Current Investments	3,426,611		8,653,985	
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	6,141,581		434,804	
		24,045,678		23,194,170
Exchange Rate Fluctuation (Net)		46,064		74,704
Liabilities / Provision no longer required, written back		466,227		252,119
Expected Credit Loss on Trade Receivables Written Back		1,567		57,412
Miscellaneous Income		80		268,897
		24,559,616		**23,847,302**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 26

	2018 – 2019 ₹	2017 – 2018 ₹
COST OF MATERIALS CONSUMED		
Raw Materials at the beginning of the year	12,173,650	36,819,896
Add : Purchases	152,420,936	72,751,665
Less : Raw Materials at the end of the year	50,067,950	12,173,650
	114,526,636	**97,397,911**

NOTE - 27

	2018 – 2019 ₹	2018 – 2019 ₹	2017 – 2018 ₹	2017 – 2018 ₹
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE				
Finished Goods				
Opening Inventories	2,393,251		10,487,305	
Closing Inventories	1,109,058		2,393,251	
Net (Increase) / Decrease		1,284,193		8,094,054
Materials - in - Process				
Opening Inventories	44,627,893		45,456,363	
Closing Inventories	12,069,310		44,627,893	
Net (Increase) / Decrease		32,558,583		828,470
		33,842,776		**8,922,524**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 28

	2018 – 2019 ₹	2017 – 2018 ₹
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	30,254,066	27,193,797
Contribution to Provident and Other Funds	2,504,258	3,376,252
Workmen and Staff Welfare Expenses	1,315,860	1,027,031
	34,074,184	**31,597,080**

NOTE - 29

FINANCE COSTS		
Interest Expenses	486,736	681,874
	486,736	**681,874**

NOTE - 30

DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment	8,836,425	9,167,202
Amortisation	35,900	30,113
	8,872,325	**9,197,315**

NOTE - 31

POWER AND FUEL		
Power and Fuel	12,342,665	11,363,618
	12,342,665	**11,363,618**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 32

	2018 – 2019 ₹	2018 – 2019 ₹	2017 – 2018 ₹	2017 – 2018 ₹
OTHER EXPENSES				
Manufacturing Expenses				
Consumption of stores and spare parts	1,927,965		1,839,281	
Repairs to Buildings	1,105,625		969,427	
Repairs to Machinery	3,190,956		2,182,900	
Repairs to Other Assets	735,650		249,739	
		6,960,196		**5,241,347**
Selling and Distribution Expenses				
Freight, Shipping, Delivery and Selling Expenses	7,898,425		5,874,596	
Sales Promotion Expenses	36,080		57,916	
		7,934,505		**5,932,512**
Establishment Expenses				
Rent	616,452		571,880	
Rates and Taxes	758,130		491,984	
Excise Duty	–		1,922,709	
Bank Charges	123,323		110,175	
Travelling and Conveyance Expenses	2,917,783		2,678,178	
Postage and Telephone	488,637		657,432	
Printing and Stationery	427,737		411,775	
Subscription	99,108		114,436	
Insurance	952,331		896,073	
Motor Vehicle Expense	633,205		399,521	
Directors' Sitting Fees	58,000		88,000	
Directors' Commission	300,000		300,000	
Managing Directors Remuneration	2,526,000		2,387,184	
Legal and Professional Fee	1,413,933		2,187,393	
Internal Audit Fees	70,800		70,800	
Bad and Sundry Receivables Written off	105		246,694	
Input GST (RCM)	64,440		66,960	
Donation	–		3,000,000	
Miscellaneous Expenses	1,288,667		1,326,914	
		12,738,651		**17,928,108**
Payment to Auditors				
Auditor	186,475		180,000	
For Other Services	86,000		121,386	
For Reimbursement of Expenses	58,694		44,189	
For GST / Service Tax	24,071		16,200	
		355,240		**361,775**
		27,988,592		**29,463,742**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 33

	2018 – 2019 ₹	2017 – 2018 ₹
TAX EXPENSE		
Current Tax		
Current Tax on Profits for the year	16,500,000	14,700,000
Current Tax of earlier years provided for	–	–
Total Current Tax Expense	**16,500,000**	**14,700,000**
Deferred Tax		
Decrease / (Increase) in Deferred Tax Assets	(277,388)	455,851
(Decrease) / Increase in Deferred Tax Liabilities	93,423	3,635,526
Total Deferred Tax Expense	**370,811**	**3,179,675**
	16,870,811	**17,879,675**
Reconciliation of Estimated Income Tax expense at Indian Statutory Income Tax rate to income tax expense reported in Statement of Total Comprehensive Income.		
Profit before Income Tax Expenses		
From Continuing Operation	72,740,752	63,807,519
From Discontinued Operation * (Refer Note No. 41 (b))	–	40,190,178*
Total Profit before Income Tax Expenses	**72,740,752**	**103,997,697**
Indian Income Tax Rate	27.82%	33.06%
Estimated Income Tax Expenses on above profit	**20,236,477**	**34,381,639**
Tax effect of adjustments to reconcile estimated income tax expenses to reported Income Tax Expenses		
a) Impact of decrease in tax rate due to MAT	(5,259,156)	(12,188,530)
b) Income exempted from tax	(154,830)	(162,859)
c) Expenses that are not deductible in determining taxable income	377,926	236,433
d) Others	1,670,394	4,212,992
	16,870,811	**26,479,675**
Total Tax Expenses		
From Continuing Operation	16,870,811	17,879,675
From Discontinued Operation	–	8,600,000*
* (Refer Note No. 41 (b))		
	16,870,811	**26,479,675**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 34	2018 – 2019	2017 – 2018
EARNING PER ORDINARY SHARE OF ₹ 10/- EACH		
For Continuing Operations		
Profit for the year (₹)	55,869,941	45,927,844
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (₹)	14.39	11.83
For Discontinued Operations		
Profit for the year (₹)	–	31,590,178
Number of Ordinary Shares at the beginning of the year	–	3,883,175
Number of Ordinary Shares at the end of the year	–	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	–	3,883,175
Basic and diluted earnings per Ordinary share (₹)	–	8.14
For Continuing Operations and Discontinued Operations		
Profit for the year (₹)	55,869,941	77,518,022
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (₹)	14.39	19.97

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 35

	2018– 2019 ₹	2017 – 2018 ₹
35.01 Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
Claims against the Company not acknowledged as debts:-		
i) Sales Tax under dispute	**322,570**	322,570
ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	**98,317**	98,317
iii) Corporate Guarantee given by the Company for Loans taken by other Bodies Corporate	**250,000,000**	250,000,000
35.02 Commitments:		
Estimated amount of Contracts to be executed on Capital Account and not provided for:- [Net of Advance ₹ 891,627/- (2018 ₹ 891,627/-)]	**1,876,627**	2,036,627
35.03 Total Salaries, Wages and Bonus for the year.	**30,254,066**	27,193,797

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 36

Employee Benefits:

As per Indian Accounting Standard- 19 “Employee Benefits”, the disclosures of Employee Benefits are as follows:

Defined Contribution Plan:

Employee Benefits in the form of Provident Fund and Employees’ State Insurance Scheme (ESI) are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution.

The contributions to the defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under:

Defined Contribution Plan

	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
Employer’s Contribution to Provident Fund	1,706,778	1,680,049
Employer’s Contribution to Employees’ State Insurance Scheme	327,154	320,384

Post employment defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed continuously atleast five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The approved gratuity fund is in the form of a trust and is governed by the Board of Trustees who are responsible for administration of investment of the plan assets. The trust has taken an insurance policy with the Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The present value of defined benefits obligations, fair value of defined plan assets, acturial gain/(loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information are given in the succeeding tables.

Net defined benefit liabilities

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Present value of defined benefit obligations	5,999,845	5,618,507
Fair value of plan assets	4,105,452	4,077,494
Net defined benefit liabilities	**(1,894,393)**	**(1,541,013)**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 36 (Contd.)

Reconciliation of the net defined benefit liabilities:

Description

		Gratuity (Funded)	
		As at 31st March 2019 ₹	As at 31st March 2018 ₹
(i)	**Reconciliation of present value of defined benefit obligations**		
	(a) Balance at the Beginning of the year	5,618,507	4,565,750
	(b) Current service cost	350,194	329,628
	(c) Interest Cost	390,244	340,845
	(d) Past Service Cost- plan amendments	–	1,000,000
	(e) Benefits paid	(275,106)	(278,394)
	(f) Actuarial (gain)/ loss on defined benefit obligations:		
	– due to change in financial assumptions	149,087	(173,618)
	– due to experience changes	(233,081)	(165,704)
	Balance at the end of the year	**5,999,845**	5,618,507
(ii)	**Reconciliation of fair value of plan assets**		
	(a) Balance at the Beginning of the year	4,077,494	4,063,802
	(b) Actual return on plan assets	12,746	(20,827)
	(c) Interest income	290,318	312,913
	(d) Benefits paid	(275,106)	(278,394)
	Balance at the end of the year	**4,105,452**	**4,077,494**
(iii)	**Actuarial gain/ (loss) on plan assets**		
	(a) Expected Interest Income	290,318	312,913
	(b) Actual return on plan assets	277,572	292,086
	Actuarial gain/ (loss) on plan assets	**(12,746)**	**(20,827)**
(iv)	**Expense recognised in Statement of Profit and Loss**		
	(a) Current service cost	350,194	329,628
	(b) Interest cost	99,926	27,932
	(c) Past Service Cost- plan amendments	–	1,000,000
	Amount charged to Profit and Loss	**450,120**	**1,357,560**
(v)	**Remeasurement recognised in Other Comprehensive Income**		
	(a) Actuarial gain/ (loss) on defined benefit obligations	83,994	339,322
	(b) Actuarial gain/ (loss) on plan assets	12,746	(20,827)
	Actuarial gain/ (loss) on plan assets	**96,740**	**318,495**
(vi)	**Category of Plan assets**		
	Insurer Managed Fund	100.00%	100.00%

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 36 (Contd.)

The Employee's Gratuity Fund Scheme, a Defined Benefit Plan, is administered by Life Insurance Corporation of India (LIC).

Life Insurance Corporation of India (LIC) makes payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed.

(vii) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	As at 31 March 2019	As at 31st March 2018
(a) Discount rate %	7.12%	7.70%
(b) Expected Return on Plan Assets %	7.12%	7.70%
(c) Expected Rate of Salary increase %	6.00%	6.00%
(d) Mortality Rates	IALM 2006 - 2008 Ultimate	IALM 2006 - 2008 Ultimate
(e) Withdrawal rates	6.00%	6.00%

(viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant acturial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

		As at 31 March 2019				As at 31 March 2018			
		Increase		**Decrease**		Increase		Decrease	
(a)	Discount rate (0.50% movement)	–2.15%	5870668	2.29%	6137301	–2.05%	5503440	2.18%	5740934
(b)	Salary growth (0.50% movement)	2.29%	6137301	–2.17%	5869528	2.19%	5741608	-2.08%	5501811
(c)	Attrition Rate (0.50% movement)	0.00%	5999845	0.00%	5999845	0.01%	5619181	-0.01%	5617833
(d)	Mortality Rate (10% movement)	0.00%	6000385	0.00%	5999305	0.02%	5619406	-0.02%	5617608

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Risk Exposure

The company is exposed to a number of risks in respect of the defined benefit plan. In particular, the Company is exposed to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets and change in the discount rate.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 37 Information in accordance with the requirements of Related Party Disclosures.

A) LIST OF RELATED PARTIES

Enterprises in which the Company is having substantial interest – Associate:-

Gillanders Arbuthnot & Company Limited

Names of the Key Management Personnel / Directors of the Company:-

Key Management Personnel / Directors

Sri A. K. Kothari	Non – Executive Chairman (Upto 7th November, 2017)
Smt. P. D. Kothari	Non – Executive Director (Upto 7th November, 2017)
Sri A. V. Kothari	Non – Executive Director
Sri S. Bagri	Non – Executive, Independent Director
Sri A. Khandelwal	Non – Executive, Independent Director
Sri A. Agarwal	Non – Executive, Independent Director
Smt. V. Kothari	Non – Executive Director (From 7th November, 2017)
Sri A. K. Toshniwal	Executive – Managing Director
Sri M. L. Daga	Company Secretary
Sri R. Gupta	Chief Financial Officer

Enterprises over which Directors, Key Management Personnel and their relatives are able to exercise significant influence:-

Albert David Limited

Bharat Fritz Werner Limited

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 37 (Contd.)

B) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:-

Nature of Transactions	Enterprises in which the Company is having substantial interest – Associate		Enterprises over which directors, key management personnel and their relatives are able to exercise significant influence		Key Management Personnel / Directors of the Company	
	2018 – 2019 ₹	2017 – 2018 ₹	**2018 – 2019** ₹	2017 – 2018 ₹	**2018 – 2019** ₹	2017– 2018 ₹
Rent & Electricity Paid :						
Gillanders Arbuthnot & Company Limited	122,628	121,982	–	–	–	–
Dividend Received :						
Albert David Limited	–	–	338,740	338,740	–	–
Repayment of Loans (Unsecured) :						
Smt. P. D. Kothari	–	–	–	–	–	20,000,000
Interest on Loans Taken :						
Smt. P. D. Kothari	–	–	–	–	–	329,645
Acquisition of Investment : (In Equity Shares)						
Bharat Fritz Werner Limited	–	–	6,12,75,000	–	–	–

NOTE - 37 (Contd.)

Nature of Transactions	Enterprises in which the Company is having substantial interest – Associate		Enterprises over which directors, key management personnel and their relatives are able to exercise significant influence		Key Management Personnel / Directors of the Company	
	2018 – 2019 ₹	2017 – 2018 ₹	**2018– 2019** ₹	2017 – 2018 ₹	**2018 – 2019** ₹	2017 – 2018 ₹
Directors' Sitting Fees :						
Sri A. K. Kothari (Upto 7th November 2017)	–	–	–	–	–	12,000
Smt. P. D. Kothari (Upto 7th November, 2017)	–	–	–	–	–	6,000
Sri A. V. Kothari	–	–	–	–	16,000	12,000
Sri S. Bagri	–	–	–	–	20,000	24,000
Sri A. Khandelwal	–	–	–	–	14,000	24,000
Sri A. Agarwal	–	–	–	–	–	4,000
Smt. V. Kothari (From 7th November, 2017)	–	–	–	–	8,000	6,000

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 37 (Contd.)

Nature of Transactions	Enterprises in which the Company is having substantial interest – Associate		Enterprises over which directors, key management personnel and their relatives are able to exercise significant influence		Key Management Personnel / Directors of the Company	
	2018 – 2019 ₹	2017 – 2018 ₹	**2018– 2019** ₹	2017 – 2018 ₹	**2018 – 2019** ₹	2017 – 2018 ₹
Directors' Commission :						
Sri A. V. Kothari	–	–	–	–	60,000	60,000
Sri S. Bagri	–	–	–	–	60,000	60,000
Sri A. Khandelwal	–	–	–	–	60,000	60,000
Sri A. Agarwal	–	–	–	–	60,000	60,000
Smt. V. Kothari	–	–	–	–	60,000	60,000
Remuneration Paid :						
Sri A. K. Toshniwal - Managing Director	–	–	–	–	2,526,000	2,387,184
Sri M. L. Daga – Company Secretary	–	–	–	–	1,705,500	1,669,100
Sri R. Gupta – Chief Financial Officer	–	–	–	–	966,600	955,964

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE -38

Information on Segment Reporting

The Company has two primary business segments viz: Bulk Drugs and Chemicals

Bulk Drugs comprises of manufacture, Job Work and sale of Bulk Drugs and related products.

Chemicals comprises of manufacture and sale of Formaldehyde and Phenolic Resin etc.

Others represent all unallocable items not included in the segments.

There are no intersegment transactions during the year.

Information about Business Segments

		2018-2019 ₹	2017-2018 ₹
Revenue External (Net Sales and other incomes)			
Bulk Drugs		**182,096,478**	166,687,655
Chemicals		**98,239,941**	73,320,626
Others		**24,559,616**	23,847,302
	Total	**304,896,035**	263,855,583
Profit / (Loss) before Tax			
Bulk Drugs		**47,870,183**	45,446,155
Chemicals		**6,895,379**	5,476,109
Others		**17,975,190**	12,885,255
	Total	**72,740,752**	63,807,519
Depreciation and Amortisation			
Bulk Drugs		**8,100,415**	8,378,626
Chemicals		**660,994**	657,109
Others		**110,916**	161,580
	Total	**8,872,325**	9,197,315

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 38 (Contd.)

		2018-2019 ₹	2017-2018 ₹
Capital Expenditure			
Bulk Drugs		**5,088,454**	5,227,343
Chemicals		**45,500**	–
Others		**–**	15,08,814
	Total	**5,133,954**	6,736,157
Assets			
Bulk Drugs		**201,964,398**	214,611,098
Chemicals		**52,458,892**	42,858,669
Others		**350,158,409**	293,107,527
	Total	**604,581,699**	550,577,294
Liabilities *			
Bulk Drugs		**19,212,181**	9,884,319
Chemicals		**14,449,376**	12,284,009
Others		**10,977,446**	10,361,918
	Total	**44,639,003**	32,530,246

* Excluding Shareholders' Funds

Information about Secondary Segments

		2018-2019 ₹	2017-2018 ₹
Segment Revenue (External) by Geographical Location of Customers			
Within India		**106,551,935**	75,367,675
Outside India		**173,784,484**	164,640,606
	Total	**280,336,419**	240,008,281
Segment Assets by Geographical Locations			
Within India		**253,462,037**	257,469,767
Outside India		**961,253**	–
	Total	**254,423,290**	257,469,767
Segment Capital Expenditure			
Within India		**5,133,954**	2,640,143
Outside India		**–**	2,587,200
	Total	**5,133,954**	5,227,343

NOTE - 39

Derivative Instruments and Unhedged Foreign Currency Exposure:

(i) The Company has not entered into any forward contract during the year.

(ii) There is no unhedged foreign currency exposure as at 31st March 2019.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 40

FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	As at 31st March 2019		As at 31st March 2018	
	Carrying Value ₹	**Fair Value ₹**	Carrying Value ₹	Fair Value ₹
Financial assets				
Investments	229,237,937	229,237,937	123,448,133	123,448,133
Trade receivables	17,970,550	17,970,550	12,744,035	12,744,035
Cash and cash equivalents	61,569,581	61,569,581	26,101,614	26,101,614
Bank balances other than cash and cash equivalents above	22,732,293	22,732,293	67,657,175	67,657,175
Loans	51,500,000	51,500,000	100,000,000	100,000,000
Other financial assets	4,568,413	4,568,413	4,816,686	4,816,686
	387,578,774	**387,578,774**	**334,767,643**	**334,767,643**
Financial liabilities				
Borrowing	13,000,000	13,000,000	–	–
Trade Payables	16,367,665	16,367,665	18,136,238	18,136,238
Other financial liabilities	4,622,249	4,622,249	4,637,809	4,637,809
	33,989,914	**33,989,914**	**22,774,047**	**22,774,047**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 40 (Contd.)

B. Measurement of Fair Values

Valuation Techniques and Significant Unobservable Inputs

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Government Securities, borrowings, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short – term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximates fair value.

C. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk Management Framework

The Company's principal financial liabilities include borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 40 (Contd.)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

The movements of Trade Receivables and Expected Credit Loss are as follows:

Particulars	**As at 31st March 2019 ₹**	**As at 31st March 2018 ₹**
Trade Receivable (Gross)	17,970,550	12,745,602
Less : Expected Credit Loss	–	1,567
Trade Receivables (Net)	17,970,550	12,744,035

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due.

(iii) Market Risk

Market risk is the risk that changes in market prices – foreign exchange rates and interest rates etc. that will affect the Company's income of the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 41

Discontinued Operations

(a) **Description**

The operations of Southern Synthetics Division had been discontinued w. e. f. 7th September 2017. The assets of the division had been disposed off and the liabilities had been duly paid.

(b) **Financial information relating to the discontinued operation for the period to the appointed date in the previous year ended on 31st March 2018, is set out below :**

Particulars	For the period ended 07.09.2017 (Relating to the previous year ended 31st March 2018) ₹
Revenue from operations	1,405,223
Other income*	45,633,665
Total income	**47,038,888**
Expenses	
Cost of materials consumed	632,455
Changes in Inventories of Finished Goods, work – in – progress and stock – in – trade	501
Employee benefit expense	607,037
Depreciation and amortization expense	136,958
Power & Fuel	422,796
Other expenses	5,048,963
Total expenses	**6,848,710**
Profit before tax	**40,190,178**
Income Tax expense	8,600,000
Profit for the period from discontinued operations	**31,590,178**

*** Including Net Gain on sale / disposal of the assets of the division ₹ 45,232,551/-**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 41 (Contd.)

(c) The net cash flows attributable to the discontinued operations are as follows:

Particulars	**For the period ended 07.09.2017 (Relating to the previous year ended 31st March 2018) ₹**
Net cash flow from Operating Activities	328,666
Net cash flow from Investing Activities	47,318,205
Net cash flow (used in) / from Financing Activities *	(47,646,871)
Net Cash Flow	–

* Represents Fund transferred to Head Office.

NOTE - 42

Capital Management

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

NOTE - 43

Previous year's figures have been regrouped / rearranged wherever necessary.

Signature to Note 'I' to '43'

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E
UDIN : 19066040AAAAAJ5559

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta	M. L. Daga	A. V. Kothari	A. K. Toshniwal
Chief Financial Officer	Company Secretary	Director	Mg. Director
	M. No. F2650	DIN : 02572346	DIN : 06872891

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report on the Consolidated Financial Statements to the Members of **KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED.**

Report on the Consolidated Financial Statements.

1. We have audited the accompanying consolidated financial statements of ***KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED*** ("the Company"), and its associate company, (Refer Notes 1(a) and 1(b) to the attached consolidated financial statements) which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) consolidated cash flows and changes in equity in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative prouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT– (Contd.)

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs as at 31st March, 2019, consolidated profit and Loss, consolidated cash flows and statement of changes in equity for the year ended on that date.

Other Matter

8. We have not audited the financial statements of the associate company included in the financial statements which constitute Loss [Net of other comprehensive Income of (₹ 14,29,243/-) of ₹ 2,41,07,651/- (Rupees Two crore fourty one lakhs seven thousand six hundred fifty one only) for the year ended 31st March, 2019. This financial statement and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of the associate company's auditors. Our opinion is not qualified in respect of this matter.

Supratim Roychoudhury
Partner
Membership Number - 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E

Kolkata, 9th August, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

	Note	**As at 31st March, 2019 ₹**	As at 31st March, 2018 ₹
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	3	54,580,741	60,398,464
Capital Work - in - progress		32,800,345	30,697,845
Intangible Assets	4	32,591	55,739
Investments in Associate (accounted for using Equity Method)	5	688,485,742	712,593,393
Financial Assets			
i. Investments	5	229,237,937	123,448,133
ii. Other Financial Assets	6	2,338,031	2,051,701
Other Non - Current Assets	7	279,127	906,627
Total Non - Current Assets		1,007,754,514	930,151,902
Current Assets			
Inventories	8	66,736,726	61,898,926
Financial Assets			
i. Trade Receivables	9	17,970,550	12,744,035
ii. Cash and Cash Equivalents	10	61,569,581	26,101,614
iii. Bank Balances other than Cash and Cash Equivalents	11	22,732,293	67,657,175
iv. Loans	12	51,500,000	100,000,000
v. Other Financial Assets	13	2,230,382	2,764,985
Current Tax Assets (Net)	14	1,634,597	4,368,392
Other Current Assets	15	9,190,183	5,735,043
Total Current Assets		233,564,312	281,270,170
Total Assets		**1,241,318,826**	**1,211,422,072**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	38,831,750	38,831,750
Other Equity			
Reserves and Surplus	17	1,157,848,073	1,140,060,076
Total Equity		1,196,679,823	1,178,891,826
LIABILITIES			
Non - Current Liabilities			
Provisions	18	2,221,857	1,109,330
Deferred Tax Liabilities (Net)	19	6,242,732	5,845,008
Total Non - Current Liabilities		8,464,589	6,954,338
Current Liabilities			
Financial Liabilities			
i. Borrowings	20	13,000,000	–
ii. Trade Payables	21	16,367,665	18,136,238
iii. Other Financial Liabilities	22	4,622,249	4,637,809
Other Current Liabilities	23	506,724	487,174
Provisions	18	1,677,776	2,314,687
Total Current Liabilities		36,174,414	25,575,908
Total Liabilities		44,639,003	32,530,246
Total Equity and Liabilities		**1,241,318,826**	**1,211,422,072**
Significant Accounting Policies	2		

This is the Balance Sheet referred to in our report of even date.

The Notes referred to above form an integral part of the consolidated financial statements

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta	M. L. Daga	A. V. Kothari	A. K. Toshniwal
Chief Financial Officer	Company Secretary M. No. F2650	Director DIN : 02572346	Mg. Director DIN : 06872891

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

INCOME :	Note	2018 – 2019	2017– 2018
		₹	₹
Revenue from Operations	24	280,336,419	240,008,281
Other Income	25	24,559,616	23,847,302
Total Revenue		304,896,035	263,855,583
EXPENDITURE :			
Cost of Materials Consumed	26	114,526,636	97,397,911
Purchases of Stock - in - Trade		21,369	11,424,000
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	27	33,842,776	8,922,524
Employee Benefits Expense	28	34,074,184	31,597,080
Finance Costs	29	486,736	681,874
Depreciation and Amortisation Expense	30	8,872,325	9,197,315
Power & Fuel	31	12,342,665	11,363,618
Other Expenses	32	27,988,592	29,463,742
Total Expenses		232,155,283	200,048,064
Profit before Exceptional items, Share of profits of Associate and Tax		72,740,752	63,807,519
Share of Profit/(Loss) of Associates		(22,678,408)	(27,417,288)
Profit before Exceptional Items and Tax		**50,062,344**	**36,390,231**
Exceptional Items		–	–
PROFIT BEFORE TAX		50,062,344	36,390,231
Tax Expense	33		
- Current Tax		16,500,000	14,700,000
- Deferred Tax (Net)		370,811	3,179,675
Total Tax Expenses		**16,870,811**	**17,879,675**
PROFIT FROM CONTINUING OPERATIONS		33,191,533	18,510,556
PROFIT AFTER TAX FROM DISCONTINUING OPERATIONS *(Refer Note - 41 (b))		–	31,590,178*
PROFIT FOR THE YEAR		33,191,533	50,100,734
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Post - Employment benefit obligations		96,740	318,495
Tax Expense on the above		(26,913)	(106,326)
Share of Other comprehensive Income of Associate		(1,429,243)	8,998,251
Other Comprehensive Income for the year		(1,359,416)	9,210,420
Total Comprehensive Income for the year		31,832,117	59,311,154
EARNINGS PER ORDINARY SHARE OF Rs. 10/- EACH	34		
For Continuing Operations : Basic and Diluted		8.55	4.77
For Discontinued Operations : Basic and Diluted		–	8.14
For Continuing and Discontinued Operations : Basic and Diluted		8.55	12.91

This is the statement of Profit and Loss referred to in our report of even date.

The Notes referred to above form an integral part of the consolidated financial statements

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta	M. L. Daga	A. V. Kothari	A. K. Toshniwal
Chief Financial Officer	Company Secretary	Director	Mg. Director
	M. No. F2650	DIN : 02572346	DIN : 06872891

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018 – 2019		2017 – 2018	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities :				
Profit before Tax from				
Continuing Operations		50,062,344		36,390,231
Discontinued Operations (Note No.41)		–		40,190,178
Profit before Tax including Discontinued Operations		50,062,344		76,580,409
Adjustments for :				
Net Gain on Disposal of Property, Plant and Equipment of Discontinued Division (Note No.41)	–		(45,232,551)	
Depreciation and Amortisation Expense				
From Continuing Operations	8,872,325		9,197,315	
From Discontinued Operations (Note No.41)	–		136,958	
Dividend Income from Non-Current Investment	(556,541)		(492,615)	
Net (Gain)/Loss on sale of Non-Current Investments	(3,426,611)		(8,653,985)	
Net Fair Value Gain on Non-Current Investments measured at FVTPL	(6,141,581)		(434,804)	
Share of (Profit) / Loss of Associate	22,678,408		27,417,288	
Expected Credit Loss on Trade Receivables Written Back	(1,567)		(57,412)	
Bad & Sundry Receivables written off	105		246,694	
Interest (Net)	(13,434,209)		(12,930,892)	
Liabilities & Provisions no longer required written back	(466,227)	7,524,102	(252,119)	(31,056,123)
Operating Profit before Working Capital Changes		57,586,446		45,524,286
Adjustments for :				
Trade and Other Receivables	(8,319,023)		6,526,162	
Inventories	(4,837,800)		35,818,280	
Trade and Other Payables	(501,118)	(13,657,941)	(11,322,374)	31,022,068
Cash Generated from Operations		43,928,505		76,546,354
Direct Taxes - (Payments)/Refunds (Net)	(13,766,205)	(13,766,205)	(18,839,355)	(18,839,355)
Net Cash (Used in) / From Operating Activities		**30,162,300**		**57,706,999**
B. Cash Flow From Investing Activities :				
Purchase of Property, Plant and Equipment/ Intangible Assets	(5,133,954)		(6,809,257)	
Proceeds from Disposal of Property,Plant and Equipment				
From Continuing Operations	–		–	
From Discontinued Operations	–		47,318,204	
Dividend Received	556,541		492,615	
Purchase of Non- Current Investments	(150,444,892)		(59,403,411)	
(Increase) / Decrease in Loans Given	48,500,000		(5,000,000)	
Proceeds from Sale of Non- Current Investments	54,223,280		34,564,396	
Interest Received	14,435,548		13,554,960	
Net Cash (Used in) / From Investing Activities		**(37,863,477)**		**24,717,507**

CONSOLIDATED CASH FLOW STATEMENT (Cont.)

	2018 – 2019		2017 – 2018	
	₹	₹	₹	₹
C. Cash Flow from Financing Activities				
Repayment of Short Term Borrowings from Bank	13,000,000		(10,000,000)	
Repayment of Short Term Borrowings from Others	–		(20,000,000)	
Interest Paid	(486,736)		(1,356,504)	
Dividends Paid	(11,874,407)		(11,625,810)	
Tax on Dividend Paid	(2,394,595)		(2,371,570)	
Net Cash (Used in) / From Financing Activities		**(1,755,738)**		**(45,353,884)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		**(9,456,915)**		**37,070,622**
Cash and Cash Equivalents (Note No. 10 & 11)				
Opening	**93,758,789**		**56,688,167**	
Closing	**84,301,874**	**(9,456,915)**	**93,758,789**	**37,070,622**

NOTES :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 on Cash Flow Statement. Refer Note 41for Disclosures relating to Discontinued Operations.
2. Previous year's figures have been regrouped / re-arranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta
Chief Financial Officer

M. L. Daga
Company Secretary
M. No. F2650

A. V. Kothari
Director
DIN : 02572346

A. K. Toshniwal
Mg. Director
DIN : 06872891

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
A)	**EQUITY SHARE CAPITAL**		
	Opening Balance	38,831,750	38,831,750
	Add/(Less):Changes in Equity Share Capital during the year	–	–
	Closing Balance	**38,831,750**	**38,831,750**

B) OTHER EQUITY
RESERVES AND SURPLUS

	Capital Reserve ₹	Securities Premium Account ₹	General Reserve ₹	Retained Earning ₹	Retained Earnings in Associate ₹	Total ₹
Balance as at 1st April 2018	**9,193,040**	**1,450,657**	**408,735,809**	**59,835,792**	**660,844,778**	**1,140,060,076**
Add : Profit / (Loss) for the year	–	–	–	55,869,941	(22,678,408)	33,191,533
Add : Other Comprehensive Income for the year	–	–	–	69,827	(1,429,243)	(1,359,416)
Add : Transferred from Statement of Profit and Loss	–	–	50,000,000	–	–	50,000,000
	9,193,040	**1,450,657**	**458,735,809**	**115,775,560**	**636,737,127**	**1,221,892,193**
Less : Appropriation						
Transfer to General Reserve	–	–	–	50,000,000	–	50,000,000
Dividend Paid	–	–	–	11,649,525	–	11,649,525
Tax on Dividends	–	–	–	2,394,595	–	2,394,595
Total Appropriations	**–**	**–**	**–**	**64,044,120**	**–**	**64,044,120**
Balance as at 31st March 2019	**9,193,040**	**1,450,657**	**458,735,809**	**51,731,440**	**636,737,127**	**1,157,848,073**
Balance as at 1st April 2017	**9,193,040**	**1,450,657**	**358,735,809**	**46,126,696**	**679,263,815**	**1,094,770,017**
Add : Profit / (Loss) for the year	–	–	–	77,518,022	(27,417,288)	50,100,734
Add : Other Comprehensive Income for the year	–	–	–	212,169	8,998,251	9,210,420
Add : Transferred from Statement of Profit and Loss	–	–	50,000,000	–	–	50,000,000
	9,193,040	**1,450,657**	**408,735,809**	**123,856,887**	**660,844,778**	**1,204,081,171**
Less : Appropriations						
Transfer to General Reserve	–	–	–	50,000,000	–	50,000,000
Dividend Paid	–	–	–	11,649,525	–	11,649,525
Tax on Dividends	–	–	–	2,371,570	–	2,371,570
Total Appropriations	**–**	**–**	**–**	**64,021,095**	**–**	**64,021,095**
Balance as at 31st March 2018	**9,193,040**	**1,450,657**	**408,735,809**	**59,835,792**	**660,844,778**	**1,140,060,076**

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta
Chief Financial Officer

M. L. Daga
Company Secretary
M. No. F2650

A. V. Kothari
Director
DIN : 02572346

A. K. Toshniwal
Mg. Director
DIN : 06872891

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 1

BASIS OF PREPARATION :

(a) General Information :

The Consolidated Financial Statements present the consolidated Accounts of Kothari Phytochemicals & Industries Limited and its associate.

Name of Associate	Percentage of holding by the Company
Gillanders Arbuthnot and Company Limited, India	25.78 %

(b) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such policies and Notes from the individual financial statements, which fairly present the needed disclosures.

(c) Principals of Consolidation and Equity Accounting:

Associates

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognized at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

Equity Method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized an addition in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

(d) Statement of Compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The financial statements upto and for the year ended 31 March 2017 were prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company had prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention.

The financial statements are approved by the Board of Directors of the Company at their meeting held on 9th August, 2019.

Details of the Company's accounting policies are included in Note 2.

(e) Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

(f) The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement basis
(i) Certain financial assets and financial liabilities	Fair value
(ii) Employee's defined benefit plan	As per actuarial valuation
(iii) Assets held for sale	Lower of its carrying amount and fair value costs to sale

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(g) Use of Estimates and Judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and Estimation Uncertainties

In the process of applying the Company's accounting policies, management has made the following judgments, which have most effect on the amounts recognized in the financial statements.

- Estimation of Useful life and residual value of property, plant and equipment;
- Determining the fair values of investments, in particular of the unlisted securities;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Recognition of deferred tax assets; availability of future taxable profit against which carried forward tax losses can be used;
- Estimation of defined benefit obligations: key actuarial assumptions;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

(h) Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 : Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 40 B.

Determination of Fair Values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Financial Assets

The fair value of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques.

(ii) Trade and Other Receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short – term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iii) Financial Liabilities

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

(i) Current and Non – Current Classification

All assets and liabilities are classified as current or Non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) It is held primarily for the purpose of being traded;

(iii) It is expected to be realized within 12 months after the reporting date; or

(iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non – current financial assets.

All other assets are classified as non – current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) It is expected to be settled in the Company's normal operating cycle;

(ii) It is held primarily for the purpose of being traded;

(iii) It is due to be settled within 12 months after the reporting date; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non – current financial liabilities.

All other liabilities are classified as non – current.

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

Operating Cycle

For the purpose of current / non – current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 2

SIGNIFICANT ACCOUNTING POLICIES :

(a) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection / commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work – in – progress.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as on 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment [See Note 3].

(iii) Subsequent Expenditure

Subsequent costs are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iv) Depreciation

Depreciation for the year is recognized in the Statement of Profit and loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets.

The useful lives have been determined based on technical evaluation done by the management and are in line with the useful life specified in Part C of Schedule II to the Companies Act; 2013. The residual values are not more than 5 % of the original cost of the asset.

Depreciation on additions / (disposals) is provided on a pro – rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Freehold land is not depreciated.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

Depreciation method, useful lives and residual values of property, plant and equipment are reviewed at each financial year – end and adjusted prospectively, if appropriate.

(v) Capital work – in – Progress (CWIP)

Capital work – in – progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on project under implementation are treated Pre – operative expenses pending location to the asset and are shown under CWIP.

(b) Intangible Assets

(i) Computer Software

Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization.

(ii) Amortisation

Amortisation is calculated to write off the cost of Intangible assets over their estimated useful lives using the straight – line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Class of assets	Management estimate of useful life (in years)
Computer Software	3

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted, if appropriate.

(iii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

(c) Inventories

Inventories are valued as under :

Raw Materials	–	At cost on weighted average method / FIFO
Stores and Spare Parts	–	At cost on weighted average method / FIFO
Materials in Process	–	At estimated Cost
Finished Goods	–	At cost on weighted average method or Net Realizable Value, whichever is lower

Cost of Inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Net Realizable Value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(d) Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non – monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non – monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction.

Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

(e) Impairment

(i) Impairment of Financial Instruments: Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Impairment of Non – Financial Assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash – generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

(f) Financial Instruments

(i) Recognition and Initial Measurement

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

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

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balance and derivative financial instruments.

The financial liabilities include trade and other payables, loans and borrowings including bank overdraft, derivative financial instruments etc.

(ii) Classification and Subsequent Measurement of Financial Assets

On initial recognition, a financial asset is classified and measured at :

– amortised cost; or

– fair value through other comprehensive income (FVOCI) - Equity Investment; or

– fair value through profit or loss (FVTPL)

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

Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL.

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

Financial Assets at Fair Value through other Comprehensive Income (FVOCI)

On initial recognition of an equity investment that is not held for trading the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment – by – investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial Assets at Fair Value through Profit or Loss (FVTPL)

All financial assets which do not meet the criteria for categorization as at amortised cost or FVOCI as described above are classified as at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets : Subsequent measurement and gains and losses

Financial Assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to Statement of Profit and Loss.

Financial Liabilities: Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held – for – trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss.

(iii) Derecognition

Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(g) Employee Benefits

(i) Short – Term Employee Benefits

Short – term employee benefit obligations are measured on an undiscounted basis and are expected as the related service is provided. A liability is recognized for the amount expected to be paid, if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined Contribution Plans

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when contributions are made to the related schemes.

(iii) Defined Benefit Plans

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

(iv) Compensated Absences

The employees of the company are entitled to compensated absences which are both accumulating and non – accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognized in profit or loss in the period in which they arise.

(h) Provision (other than for Employee Benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(i) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

(j) Recognition of Revenue

Revenue is recognized to the extent it is probable that economic benefits would flow to the company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of products is passed to the buyer as per terms of contract which usually happens on delivery of goods.

(k) Expenses

All expenses are accounted for on accrual basis.

(l) Leases

(i) Assets held under Leases

Lease of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as Finance Leases.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

(ii) Lease Payments

Payments made under operating leases are generally recognized in Statement of Profit and Loss on straight – line basis over the term of Lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

(m) Income Tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of profit and Loss.

(i) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable Tax rates and the provisions of the Income Tax Act, 1961 and other applicable Tax Laws.

(ii) Deferred Tax

Deferred tax is provided, on all temporary differences at the reporting date between the carrying amount of assets and liabilities for financial reporting purposes and its tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets include Minimum Alternate Tax (MAT) paid (tax credit) in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

(n) Segment Accounting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision – maker (CODM).

The chief operating decision – maker, who is responsible for allocation resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company’s intermediate and final products and estimated realizable value in case of by – products.

(ii) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and / or on a reasonable basis, have been disclosed as “Unallocable”.

(o) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a Substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(p) Cash and Cash Equivalents

Cash and cash equivalents include cash and cash – on – deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non – cash nature, any deferrals or accruals of past or future operating cash receipts of payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the Company are segregated.

(r) Earnings Per Share

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

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

(s) Interest in Associate

Investments in associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 3

PROPERTY, PLANT AND EQUIPMENT
Year ended 31st March, 2019

	Leasehold Land ₹	Freehold Land ₹	Buildings ₹	Plant and Equipment ₹	Eelectric Installation ₹	Computers ₹	Office Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Tubewell and Water Works ₹	Total ₹
Gross Carrying Amount											
Opening Gross Carrying Amount	1,262,400	1,985,283	40,301,082	128,606,251	5,693,662	1,177,466	3,294,771	510,307	3,680,113	519,916	187,031,251
Additions during the year	–	–	–	2,946,814	9,000	36,500	39,140	–	–	–	3,031,454
On Disposals / Adjustments during the year	–	–	–	–	–	–	–	–	–	–	–
Closing Gross Carrying Amount	1,262,400	1,985,283	40,301,082	131,553,065	5,702,662	1,213,966	3,333,911	510,307	3,680,113	519,916	190,062,705
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2018	331,554	–	18,750,297	96,977,194	5,255,521	1,034,355	1,480,808	428,268	2,284,283	90,507	126,632,787
Depreciation charge during the year	12,752	–	978,214	7,233,763	30,294	65,505	85,619	11,662	332,584	98,784	8,849,177
On Disposals / Adjustments during the year	–	–	–	–	–	–	–	–	–	–	–
Closing Accumulated Depreciation	344,306	–	19,728,511	104,210,957	5,285,815	1,099,860	1,566,427	439,930	2,616,867	189,291	135,481,964
Net Carrying Amount	918,094	1,985,283	20,572,571	27,342,108	416,847	114,106	1,767,484	70,377	1,063,246	330,625	54,580,741

Yean ended 31st March, 2018

	Leasehold Land ₹	Freehold Land ₹	Buildings ₹	Plant and Equipment ₹	Eelectric Installation ₹	Computers ₹	Office Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Tubewell and Water Works ₹	Total ₹
Gross Carrying Amount											
Deemed Cost as at 1st April, 2017	1,262,400	2,074,532	37,915,717	135,132,987	6,419,262	1,117,238	1,778,383	588,006	3,680,113	314,863	190,283,501
Additions during the year	–	–	4,332,710	6,657,166	–	115,503	1,589,925	–	–	205,053	12,900,357
On Disposals / Adjustments during the year	–	89,249	1,947,345	13,183,902	725,600	55,275	73,537	77,699	–	–	16,152,607
Closing Gross Carrying Amount	1,262,400	1,985,283	40,301,082	128,606,251	5,693,662	1,177,466	3,294,771	510,307	3,680,113	519,916	187,031,251
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2017	318,802	–	19,395,103	100,898,363	5,912,037	1,032,122	1,439,343	489,778	1,890,438	6,843	131,382,829
Depreciation charge during the year	12,752	–	932,796	7,686,401	29,892	54,744	110,943	11,875	393,845	83,664	9,316,912
On Disposals / Adjustments during the year	–	–	1,577,602	11,607,570	686,408	52,511	69,478	73,385	–	–	14,066,954
Closing Accumulated Depreciation	331,554	–	18,750,297	96,977,194	5,255,521	1,034,355	1,480,808	428,268	2,284,283	90,507	126,632,787
Net Carrying Amount	930,846	1,985,283	21,550,785	31,629,057	438,141	143,111	1,813,963	82,039	1,395,830	429,409	60,398,464

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 4

INTANGIBLE ASSETS

Year ended 31st March, 2019

	Software ₹	Total ₹
Gross Carrying Amount		
Opening Gross Carrying Amount	73,100	73,100
Additions	–	–
Disposals	–	–
Closing Gross Carrying Amount	**73,100**	**73,100**
Accumulated Amortisation		
Opening accumulated amortisation	17,361	17,361
Amortisation charge for the year	23,148	23,148
Closing Accumulated Amortisation	**40,509**	**40,509**
Closing Net Carrying Amount	**32,591**	**32,591**

Year ended 31st March, 2018

	Software ₹	Total ₹
Gross Carrying Amount		
Deemed Cost as at 1st April, 2017	–	–
Additions	73,100	73,100
Disposals	–	–
Closing Gross Carrying Amount	**73,100**	**73,100**
Accumulated Amortisation		
Amortisation charge for the year	17,361	17,361
Disposals	–	–
Closing Accumulated Amortisation	**17,361**	**17,361**
Closing Net Carrying Amount	**55,739**	**55,739**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 5

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Non-Current Investments			
A. Investment in Associates			
(Accounted for using Equity Method)			
In Equity Instruments - Quoted, fully paid up			
Gillanders Arbuthnot & Company Limited *		688,485,742	712,593,393
* Refer Note No. 43			
	TOTAL A	**688,485,742**	**712,593,393**
B. Investment in others			
Quoted			
Fair Value Through Profit & Loss			
Investment in Equity Shares		37,500,275	37,721,222
Investment in Mutual Funds		88,196,535	51,525,974
		125,696,810	**89,247,196**
Un-Quoted			
Fair Value Through Profit & Loss			
Investment in Equity Shares		108,041,127	38,700,937
Less: Provision for Diminution in carrying amount of Investments		4,500,000	4,500,000
		103,541,127	**34,200,937**
	TOTAL B	**229,237,937**	**123,448,133**
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)		814,182,552	801,840,589
Aggregate carrying amount of unquoted investments		103,541,127	34,200,937
		917,723,679	**836,041,526**
Aggregate Market Value of Quoted Investments in Associates		262,951,528	339,966,620
Aggregate Market Value of Quoted Investments other than Associates		37,500,275	37,721,222
Aggregate Book Value of Unquoted Investments		108,041,127	38,700,937
Aggregate Repurchase price of Mutual Funds		88,196,535	51,525,974

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
NOTE - 6		
OTHER FINANCIAL ASSETS		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	2,338,031	2,051,701
	2,338,031	**2,051,701**
NOTE - 7		
OTHER NON - CURRENT ASSETS		
Capital Advances	264,127	891,627
Others	67,521	67,521
	331,648	959,148
Less: Provision for Doubtful Advances	52,521	52,521
	279,127	**906,627**
NOTE - 8		
INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	50,067,950	12,173,650
Materials - in - Process	12,069,310	44,627,893
Finished Goods	1,109,058	2,393,251
Stores and Spare Parts	3,490,408	2,704,132
	66,736,726	**61,898,926**
NOTE - 9		
TRADE RECEIVABLES		
(Unsecured)		
Considered Good	17,970,550	12,744,035
Considered Doubtful	–	1,567
	17,970,550	12,745,602
Less : Allowances for Doubtful Receivables	–	1,567
	17,970,550	**12,744,035**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
NOTE - 10		
CASH AND CASH EQUIVALENTS		
Balances with Banks		
- In Current Accounts	31,525,222	25,559,757
Fixed Deposits of Maturity of Less than 3 Months	30,000,000	500,000
Cash in Hand	44,359	41,857
	61,569,581	**26,101,614**
NOTE - 11		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Other Bank Balances		
Fixed Deposits with Bank of Maturity more than 3 months but less than 12 months	22,500,000	67,200,000
Balances with Banks		
- Unpaid Dividend Account	232,293	222,364
- Unpaid Fractional Amount of Shares	–	234,811
	22,732,293	**67,657,175**
NOTE - 12		
LOANS		
Loans to Bodies Corporates	51,500,000	100,000,000
	51,500,000	**100,000,000**
NOTE - 13		
OTHER FINANCIAL ASSETS		
Advance to Employees	–	20,000
Interest accrued on Loans and Deposits	2,230,382	2,744,985
	2,230,382	**2,764,985**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
NOTE - 14		
CURRENT TAX ASSETS (NET)		
Advance Income Tax (Net of Provisions)	1,634,597	4,368,392
	1,634,597	**4,368,392**
NOTE - 15		
OTHER CURRENT ASSETS		
Advances to Suppliers & Others	1,194,300	49,290
Balance with Statutory / Government Authorities	5,379,812	4,604,254
Export Incentive Receivable	1,486,037	40,371
Others	1,130,034	1,041,128
	9,190,183	**5,735,043**

	As at 31st March, 2019 Number of Shares	₹	As at 31st March, 2018 Number of Shares	₹
NOTE - 16				
SHARE CAPITAL :				
AUTHORISED :				
Preference Shares of ₹ 100/- each.	300,000	30,000,000	300,000	30,000,000
Ordinary Shares of ₹ 10/- each.	17,000,000	170,000,000	17,000,000	170,000,000
		200,000,000		**200,000,000**
ISSUED, SUBSCRIBED AND PAID UP:				
Ordinary Shares of ₹ 10/- each fully paid-up.	3,883,175	38,831,750	3,883,175	38,831,750
		38,831,750		**38,831,750**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

16.1 The Company has issued Ordinary shares having a par value of ₹10/- per share. Each holder of Ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of Ordinary shares will be entitled to receive remaining assets of the Company, after payment of Secured, Unsecured Liabilities and Other Creditors. The distribution will be in proportion to the number of Ordinary shares held by the shareholders.

16.2 The details of shareholders holding more than 5% shares.

Name	**As at 31st March 2019**		As at 31st March 2016	
	% held	**No. of Shares**	% held	No. of Shares
Commercial House Private Limited	19.45%	755414	19.45%	755414
Kothari & Company Private Limited	15.32%	594960	15.32%	594960
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
Kothari Investment & Industries Private Limited	19.33%	750720	19.33%	750720
Vishnuhari Investments & Properties Limited	12.66%	491568	12.66%	491568
Bhaktwatsal Investments Limited	5.52%	214459	5.52%	214459
G. Das & Company Private Limited	5.55%	215491	–	–

16.3 The reconcilation of the number of shares outstanding is set out below.

	As at 31st March, 2019	As at 31st March, 2018
Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Ordinary Shares at the end of the year	**3,883,175**	**3,883,175**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 17

OTHER EQUITY RESERVES AND SURPLUS	Capital Reserve ₹	Securities Premium Account ₹	General Reserve ₹	Retained Earning ₹	Retained Earnings in Associate ₹	Total ₹
Balance as at 1st April 2018	**9,193,040**	**1,450,657**	**408,735,809**	**59,835,792**	**660,844,778**	**1,140,060,076**
Add: Profit / (Loss) for the year	–	–	–	55,869,941	(22,678,408)	33,191,533
Add: Other Comprehensive Income for the year	–	–	–	69,827	(1,429,243)	(1,359,416)
Add : Transferred from Statement of Profit and Loss	–	–	50,000,000	–	–	50,000,000
	9,193,040	**1,450,657**	**458,735,809**	**115,775,560**	**636,737,127**	**1,221,892,193**
Less: Appropriations						
Transfer to General Reserve	–	–	–	50,000,000	–	50,000,000
Dividend Paid	–	–	–	11,649,525	–	11,649,525
Tax on Dividends	–	–	–	2,394,595	–	2,394,595
Total Appropriations	–	–	–	**64,044,120**	**–**	**64,044,120**
Balance as at 31st March 2019	**9,193,040**	**1,450,657**	**458,735,809**	**51,731,440**	**636,737,127**	**1,157,848,073**
Balance as at 1st April 2017	**9,193,040**	**1,450,657**	**358,735,809**	**46,126,696**	**679,263,815**	**1,094,770,017**
Add: Profit / (Loss) for the year	–	–	–	77,518,022	(27,417,288)	50,100,734
Add: Other Comprehensive Income for the year	–	–	–	212,169	8,998,251	9,210,420
Add : Transferred from Statement of Profit and Loss	–	–	50,000,000	–	–	50,000,000
	9,193,040	**1,450,657**	**408,735,809**	**123,856,887**	**660,844,778**	**1,204,081,171**
Less: Appropriations						
Transfer to General Reserve	–	–	–	50,000,000	–	50,000,000
Dividend Paid	–	–	–	11,649,525	–	11,649,525
Tax on Dividends	–	–	–	2,371,570	–	2,371,570
Total Appropriations	**–**	**–**	**–**	**64,021,095**	**–**	**64,021,095**
Balance as at 31st March 2018	**9,193,040**	**1,450,657**	**408,735,809**	**59,835,792**	**660,844,778**	**1,140,060,076**

17.1 The Board of Directors recommended a dividend of ₹ 3.50 per share for the year ended 31st March, 2019 on fully paid ordinary shares. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated ordinary dividend to be paid is ₹ 13,591,113/-. Tax on such dividend has also not been included as a liability in these financial statements.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 18

	As at 31st March, 2019			As at 31st March, 2018		
	Current	**Non - Current**	**Total**	Current	Non - Current	Total
	₹	₹	₹	₹	₹	₹
PROVISIONS						
Employee Benefit Obligation						
Leave Obligations	1,324,396	680,844	2,005,240	1,275,622	607,382	1,883,004
Gratuity	353,380	1,541,013	1,894,393	1,039,065	501,948	1,541,013
	1,677,776	**2,221,857**	**3,899,633**	**2,314,687**	**1,109,330**	**3,424,017**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 19

	As at 31st March, 2019				As at 31st March, 2018			
	Opening Balance	**Recognised in Profit or Loss**	**Recognised in other Comprehensive Income**	**Closing Balance**	Opening Balance	Recognised in Profit or Loss	Recognised in other Comprehensive Income	Closing Balance
DEFERRED TAX LIABILITIES (NET)	**₹**	**₹**	**₹**	**₹**	₹	₹	₹	₹
Deferred Tax Liabilities arising out of :								
Timing Difference on Depreciable Assets	5,489,918	(1,609,599)	–	3,880,319	4,660,671	829,247	–	5,489,918
Fair Valuation of Investments	3,178,930	1,703,022	–	4,881,952	372,651	2,806,279	–	3,178,930
Total Deferred Tax Liabilities	**8,668,848**	**93,423**	**–**	**8,762,271**	**5,033,322**	**3,635,526**	**–**	**8,668,848**
Deferred Tax Assets arising out of :								
Provision for Doubtful Receivables	523	(523)	–	–	19,500	(18,977)	–	523
Provision for Dimunition in Value of Investments	1,502,280	(250,380)	–	1,251,900	1,487,835	14,445	–	1,502,280
Accrued Expenses Deductable on Payment basis	1,321,037	(26,485)	(26,913)	1,267,639	966,980	460,383	(106,326)	1,321,037
Total Deferred Tax Assets	**2,823,840**	**(277,388)**	**26,913)**	**2,519,539**	**2,474,315**	**455,851**	**(106,326)**	**2,823,840**
	5,845,008	**370,811**	**26,913**	**6242732**	**2,559,007**	**3,179,675**	**106,326**	**5,845,008**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 20

	As at 31st March, 2019	As at 31st March, 2018
BORROWINGS		
Loans repayable on demand		
Secured		
PHYTOCHEMICALS DIVISION		
- From Vijaya Bank		
Packing Credit	13,000,000	–
Exclusive First Charge on Entire Stocks of Raw Materials, Semi Finished and Finished Goods and further secured by deposit of Title Deeds of 23.24 acres Land situated at Nagari and the entire Fixed Assets of the Division. Stock against Packing Credit Limit facility shall be backed by firm Export Orders.		
	13,000,000	–

NOTE - 21

TRADE PAYABLES		
Dues of Micro & Small Enterprises	–	–
Others	16,367,665	18,136,238
	16,367,665	**18,136,238**

(As per information available with the Company no amount is due to Micro, Small and Medium Enterprises)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
NOTE - 22		
OTHER FINANCIAL LIABILITIES		
Unpaid Fractional amount of shares	–	234,811
Commission Payable	335,865	537,303
Employees Dues Payable	2,000,427	1,861,442
Unpaid Dividends	232,293	222,364
Others	2,053,664	1,781,889
	4,622,249	**4,637,809**
NOTE - 23		
OTHER CURRENT LIABILITIES		
Statutory Dues Payables	506,724	487,174
	506,724	**487,174**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 24	**2018 – 2019**		2017 – 2018	
	₹	₹	₹	₹
REVENUE FROM OPERATIONS				
SALE OF PRODUCTS				
Calcium Sennoside	2,703,500		5,547,709	
Brucine & its Salts	1,047,950		6,883,277	
Strychnine & its Salts	141,471,260		132,591,880 **	
Tolbutamide	22,823,452		10,375,206	
Chlorpropamide	5,818,706		9,056,450	
Formaldehyde	2,499,282		2,702,531	
Paraformaldehyde	10,002,496		9,726,132	
Phenolic Resin	85,576,258		60,767,813	
PTS Urea	–		2,000	
Crudoe Drugs	49,750*		–	
		271,992,654		237,652,998
OTHER OPERATING REVENUE				
Export Incentives	5,217,941		2,329,433	
Claims Received	31,611		–	
Sale of Scrap	3,065,913		–	
Miscellaneous Receipts	28,300		25,850	
		8,343,765		2,355,283
		280,336,419		**240,008,281**

* Represents Sale of Traded Goods.

** Including Sale of Traded Goods ₹15,663,885/-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018 – 2019		2017 – 2018	
	₹	₹	₹	₹
NOTE - 25				
OTHER INCOME				
Income from Financial Asset				
- Interest on Advances, Deposits and Others - Gross	13,920,945		13,612,766	
- Dividend Income from Non - Current Investment	556,541		492,615	
- Net Gain / (Loss) on Sale of Non - Current Investments	3,426,611		8,653,985	
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	6,141,581		434,804	
		24,045,678		23,194,170
Exchange Rate Fluctuation (Net)		46,064		74,704
Liabilities / Provision no longer required, written back		466,227		252,119
Expected Credit Loss on Trade Receivables Written Back		1,567		57,412
Miscellaneous Income		80		268,897
		24,559,616		**23,847,302**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 26

	2018 – 2019 ₹	2017 – 2018 ₹
COST OF MATERIALS CONSUMED		
Raw Materials at the beginning of the year	12,173,650	36,819,896
Add : Purchases	152,420,936	72,751,665
Less : Raw Materials at the end of the year	50,067,950	12,173,650
	114,526,636	**97,397,911**

NOTE - 27

	2018 – 2019 ₹	2018 – 2019 ₹	2017 – 2018 ₹	2017 – 2018 ₹
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE				
Finished Goods				
Opening Inventories	2,393,251		10,487,305	
Closing Inventories	1,109,058		2,393,251	
Net (Increase) / Decrease		1,284,193		8,094,054
Materials - in - Process				
Opening Inventories	44,627,893		45,456,363	
Closing Inventories	12,069,310		44,627,893	
Net (Increase) / Decrease		32,558,583		828,470
		33,842,776		**8,922,524**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 28

	2018 – 2019 ₹	2017 – 2018 ₹
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	30,254,066	27,193,797
Contribution to Provident and Other Funds	2,504,258	3,376,252
Workmen and Staff Welfare Expenses	1,315,860	1,027,031
	34,074,184	**31,597,080**

NOTE - 29

FINANCE COSTS		
Interest Expenses	486,736	681,874
	486,736	**681,874**

NOTE - 30

DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment	8,836,425	9,167,202
Amortisation	35,900	30,113
	8,872,325	**9,197,315**

NOTE - 31

POWER AND FUEL		
Power and Fuel	12,342,665	11,363,618
	12,342,665	**11,363,618**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 32

	2018 – 2019		2017 – 2018	
	₹	₹	₹	₹
OTHER EXPENSES				
Manufacturing Expenses				
Consumption of stores and spare parts	1,927,965		1,839,281	
Repairs to Buildings	1,105,625		969,427	
Repairs to Machinery	3,190,956		2,182,900	
Repairs to Other Assets	735,650		249,739	
		6,960,196		**5,241,347**
Selling and Distribution Expenses				
Freight, Shipping, Delivery and Selling Expenses	7,898,425		5,874,596	
Sales Promotion Expenses	36,080		57,916	
		7,934,505		**5,932,512**
Establishment Expenses				
Rent	616,452		571,880	
Rates and Taxes	758,130		491,984	
Excise Duty	–		1,922,709	
Bank Charges	123,323		110,175	
Travelling and Conveyance Expenses	2,917,783		2,678,178	
Postage and Telephone	488,637		657,432	
Printing and Stationery	427,737		411,775	
Subscription	99,108		114,436	
Insurance	952,331		896,073	
Motor Vehicle Expense	633,205		399,521	
Directors' Sitting Fees	58,000		88,000	
Directors' Commission	300,000		300,000	
Managing Directors Remuneration	2,526,000		2,387,184	
Legal and Professional Fee	1,413,933		2,187,393	
Internal Audit Fees	70,800		70,800	
Bad and Sundry Receivables Written off	105		246,694	
Input GST (RCM)	64,440		66,960	
Donation	–		3,000,000	
Miscellaneous Expenses	1,288,667		1,326,914	
		12,738,651		**17,928,108**
Payment to Auditors				
Auditor	186,475		180,000	
For Other Services	86,000		121,386	
For Reimbursement of Expenses	58,694		44,189	
For GST / Service Tax	24,071		16,200	
		355,240		**361,775**
		27,988,592		**29,463,742**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 33

	2018 – 2019 ₹	2017 – 2018 ₹
TAX EXPENSE		
Current Tax		
Current Tax on Profits for the year	16,500,000	14,700,000
Current Tax of earlier years provided for	–	–
Total Current Tax Expense	**16,500,000**	**14,700,000**
Deferred Tax		
Decrease / (Increase) in Deferred Tax Assets	(277,388)	455,851
(Decrease) / Increase in Deferred Tax Liabilities	93,423	3,635,526
Total Deferred Tax Expense	**370,811**	**3,179,675**
	16,870,811	**17,879,675**
Reconciliation of Estimated Income Tax expense at Indian Statutory Income Tax rate to income tax expense reported in Statement of Total Comprehensive Income.		
Profit before Income Tax Expenses		
From Continuing Operation	50,062,344	36,390,231
From Discontinued Operation * (Refer Note No. 41 (b))	–	40,190,178*
Total Profit before Income Tax Expenses	**50,062,344**	**76,580,409**
Indian Income Tax Rate	27.82%	33.06%
Estimated Income Tax Expenses on above profit	**13,927,344**	**25,317,483**
Tax effect of adjustments to reconcile estimated income tax expenses to reported Income Tax Expenses		
a) Impact of decrease in tax rate due to MAT	(3,619,507)	(8,975,224)
b) Income exempted from tax	(154,830)	(162,859)
c) Expenses that are not deductible in determining taxable income	377,926	236,433
d) Tax on profit / loss of associates	6.309,133	9,064,155
e) Others	30,745	999,686
	16,870,811	**26,479,675**
Total Tax Expenses		
From Continuing Operation	16,870,811	17,879,675
From Discontinued Operation	–	8,600,000*
* (Refer Note No. 41 (b))		
	16,870,811	**26,479,675**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 34	**2018 – 2019**	2017 – 2018
EARNING PER ORDINARY SHARE OF ₹ 10/- EACH		
For Continuing Operations		
Profit for the year (₹)	33,191,533	18,510,556
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (₹)	8.55	4.77
For Discontinued Operations		
Profit for the year (₹)	–	31,590,178
Number of Ordinary Shares at the beginning of the year	–	3,883,175
Number of Ordinary Shares at the end of the year	–	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	–	3,883,175
Basic and diluted earnings per Ordinary share (₹)	–	8.14
For Continuing Operations and Discontinued Operations		
Profit for the year (₹)	33,191,533	50,100,734
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (₹)	8.55	12.91

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 35

		2018– 2019 ₹	2017 – 2018 ₹
35.01	Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
	Claims against the Company not acknowledged as debts:-		
	i) Sales Tax under dispute	**322,570**	322,570
	ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	**98,317**	98,317
	iii) Corporate Guarantee given by the Company for Loans taken by other Bodies Corporate	**250,000,000**	250,000,000
	iv) Share of Contingent liabilities of Associate	**44,234,871**	73,471,453
35.02	Commitments:		
	i) Estimated amount of Contracts to be executed on Capital Account and not provided for:- [Net of Advance ₹ 891,627/- (2018 ₹ 891,627/-)]	**1,876,627**	2,036,627
	ii) Share of Commitments in Associate	**1,628,007**	3,514,072
35.03	Total Salaries, Wages and Bonus for the year.	**30,254,066**	27,193,797

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 36

Employee Benefits:

As per Indian Accounting Standard- 19 “Employee Benefits”, the disclosures of Employee Benefits are as follows:

Defined Contribution Plan:

Employee Benefits in the form of Provident Fund and Employees’ State Insurance Scheme (ESI) are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution.

The contributions to the defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under:

Defined Contribution Plan

	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
Employer’s Contribution to Provident Fund	1,706,778	1,680,049
Employer’s Contribution to Employees’ State Insurance Scheme	327,154	320,384

Post employment defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed continuously atleast five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The approved gratuity fund is in the form of a trust and is governed by the Board of Trustees who are responsible for administration of investment of the plan assets. The trust has taken an insurance policy with the Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The present value of defined benefits obligations, fair value of defined plan assets, acturial gain/(loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information are given in the succeeding tables.

Net defined benefit liabilities

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Present value of defined benefit obligations	5,999,845	5,618,507
Fair value of plan assets	4,105,452	4,077,494
Net defined benefit liabilities	**(1,894,393)**	**(1,541,013)**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 36 (Contd.)

Reconciliation of the net defined benefit liabilities:

Description

		Gratuity (Funded)	
		As at 31st March 2019 ₹	As at 31st March 2018 ₹
(i)	**Reconciliation of present value of defined benefit obligations**		
	(a) Balance at the Beginning of the year	5,618,507	4,565,750
	(b) Current service cost	350,194	329,628
	(c) Interest Cost	390,244	340,845
	(d) Past Service Cost- plan amendments	–	1,000,000
	(e) Benefits paid	(275,106)	(278,394)
	(f) Actuarial (gain)/ loss on defined benefit obligations:		
	– due to change in financial assumptions	149,087	(173,618)
	– due to experience changes	(233,081)	(165,704)
	Balance at the end of the year	**5,999,845**	5,618,507
(ii)	**Reconciliation of fair value of plan assets**		
	(a) Balance at the Beginning of the year	4,077,494	4,063,802
	(b) Actual return on plan assets	12,746	(20,827)
	(c) Interest income	290,318	312,913
	(d) Benefits paid	(275,106)	(278,394)
	Balance at the end of the year	**4,105,452**	**4,077,494**
(iii)	**Actuarial gain/ (loss) on plan assets**		
	(a) Expected Interest Income	290,318	312,913
	(b) Actual return on plan assets	277,572	292,086
	Actuarial gain/ (loss) on plan assets	**(12,746)**	**(20,827)**
(iv)	**Expense recognised in Statement of Profit and Loss**		
	(a) Current service cost	350,194	329,628
	(b) Interest cost	99,926	27,932
	(c) Past Service Cost- plan amendments	–	1,000,000
	Amount charged to Profit and Loss	**450,120**	**1,357,560**
(v)	**Remeasurement recognised in Other Comprehensive Income**		
	(a) Actuarial gain/ (loss) on defined benefit obligations	83,994	339,322
	(b) Actuarial gain/ (loss) on plan assets	12,746	(20,827)
	Actuarial gain/ (loss) on plan assets	**96,740**	**318,495**
(vi)	**Category of Plan assets**		
	Insurer Managed Fund	100.00%	100.00%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 36 (Contd.)

The Employee's Gratuity Fund Scheme, a Defined Benefit Plan, is administered by Life Insurance Corporation of India (LIC).

Life Insurance Corporation of India (LIC) makes payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed.

(vii) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	As at 31 March 2019	As at 31st March 2018
(a) Discount rate %	7.12%	7.70%
(b) Expected Return on Plan Assets %	7.12%	7.70%
(c) Expected Rate of Salary increase %	6.00%	6.00%
(d) Mortality Rates	IALM 2006 - 2008 Ultimate	IALM 2006 - 2008 Ultimate
(e) Withdrawal rates	6.00%	6.00%

(viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant acturial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

		As at 31 March 2019				As at 31 March 2018			
		Increase		**Decrease**		Increase		Decrease	
(a)	Discount rate (0.50% movement)	–2.15%	5870668	2.29%	6137301	–2.05%	5503440	2.18%	5740934
(b)	Salary growth (0.50% movement)	2.29%	6137301	–2.17%	5869528	2.19%	5741608	-2.08%	5501811
(c)	Attrition Rate (0.50% movement)	0.00%	5999845	0.00%	5999845	0.01%	5619181	-0.01%	5617833
(d)	Mortality Rate (10% movement)	0.00%	6000385	0.00%	5999305	0.02%	5619406	-0.02%	5617608

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Risk Exposure

The company is exposed to a number of risks in respect of the defined benefit plan. In particular, the Company is exposed to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets and change in the discount rate.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 37

Information in accordance with the requirements of Related Party Disclosures – Refer Note 37 of Standalone Financial Statements.

NOTE – 38

Information on Segment Reporting – Refer Note 38 of Standalone Financial Statements.

NOTE – 39

Derivative Instruments and Unhedged Foreign Currency Exposure:

(i) The Company has not entered into any forward contract during the year.

(ii) There is no unhedged foreign currency exposure as at 31st March 2019.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 40

FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	As at 31st March 2019		As at 31st March 2018	
	Carrying Value ₹	Fair Value ₹	Carrying Value ₹	Fair Value ₹
Financial assets				
Investments	229,237,937	229,237,937	123,448,133	123,448,133
Trade receivables	17,970,550	17,970,550	12,744,035	12,744,035
Cash and cash equivalents	61,569,581	61,569,581	26,101,614	26,101,614
Bank balances other than cash and cash equivalents above	22,732,293	22,732,293	67,657,175	67,657,175
Loans	51,500,000	51,500,000	100,000,000	100,000,000
Other financial assets	4,568,413	4,568,413	4,816,686	4,816,686
	387,578,774	**387,578,774**	**334,767,643**	**334,767,643**
Financial liabilities				
Borrowing	13,000,000	13,000,000	–	–
Trade Payables	16,367,665	16,367,665	18,136,238	18,136,238
Other financial liabilities	4,622,249	4,622,249	4,637,809	4,637,809
	33,989,914	**33,989,914**	**22,774,047**	**22,774,047**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 40 (Contd.)

B. Measurement of Fair Values

Valuation Techniques and Significant Unobservable Inputs

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Government Securities, borrowings, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short – term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximates fair value.

C. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk Management Framework

The Company's principal financial liabilities include borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 40 (Contd.)

default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

The movements of Trade Receivables and Expected Credit Loss are as follows:

Particulars	**As at 31st March 2019 ₹**	As at 31st March 2018 ₹
Trade Receivable (Gross)	17,970,550	12,745,602
Less : Expected Credit Loss	–	1,567
Trade Receivables (Net)	17,970,550	12,744,035

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due.

(iii) Market Risk

Market risk is the risk that changes in market prices – foreign exchange rates and interest rates etc. that will affect the Company's income of the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 41

Discontinued Operations

(a) **Description**

The operations of Southern Synthetics Division had been discontinued w. e. f. 7th September 2017. The assets of the division had been disposed off and the liabilities had been duly paid.

(b) **Financial information relating to the discontinued operation for the period to the appointed date in the previous year ended on 31st March 2018, is set out below :**

Particulars	**For the period ended 07.09.2017 (Relating to the previous year ended 31st March 2018) ₹**
Revenue from operations	1,405,223
Other income*	45,633,665
Total income	**47,038,888**
Expenses	
Cost of materials consumed	632,455
Changes in Inventories of Finished Goods, work – in – progress and stock – in – trade	501
Employee benefit expense	607,037
Depreciation and amortization expense	136,958
Power & Fuel	422,796
Other expenses	5,048,963
Total expenses	**6,848,710**
Profit before tax	**40,190,178**
Income Tax expense	8,600,000
Profit for the period from discontinued operations	**31,590,178**

*** Including Net Gain on sale / disposal of the assets of the division ₹ 45,232,551/-**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 41 (Contd.)

(c) The net cash flows attributable to the discontinued operations are as follows:

Particulars	For the period ended 07.09.2017 (Relating to the previous year ended 31st March 2018) ₹
Net cash flow from Operating Activities	328,666
Net cash flow from Investing Activities	47,318,205
Net cash flow (used in) / from Financing Activities *	(47,646,871)
Net Cash Flow	–

* Represents Fund transferred to Head Office.

NOTE - 42

Capital Management

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

NOTE - 43

Disclosure of Interest in Associates

Interest in Associates

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Gillanders Arbuthnot and Company Limited		
Interest as at 1st April	712,593,393	731,012,430
Add : Share of Profit for the period	(22,678,408)	(27,417,288)
Add : Share of OCI for the period	(1,429,243)	8,998,251
Balance as at 31st March	**688,485,742**	**712,593,393**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE - 44

Note for Disclosure mandated by Schedule III of Companies Act 2013, by way of Additional Information :

Name of the Entity	% of Interest	Share of Net Assets, i.e. Total Assets minus Total Liabilites		Share of Profit / Loss		Share of OCI	
		31st March, 2019 ₹	31st March, 2018 ₹	**2018-2019 ₹**	2017-2018 ₹	**2018-2019 ₹**	2017-2018 ₹
Gillanders Arbuthnot Company Limited	25.78%	977,753,935	1,021,385,038	(22,678,408)	(27,417,288)	(1,429,243)	8,998,251

NOTE - 45

Previous Year's figures have been regrouped / rearranged whereever necessary

Signature to Note '1' to '45'

Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of
K. Ray & Company
Chartered Accountants
Firm Registration No. 312142E

Kolkata,
9th August, 2019

On behalf of the Board

R. Gupta
Chief Financial Officer

M. L. Daga
Company Secretary
M. No. F2650

A. V. Kothari
Director
DIN : 02572346

A. K. Toshniwal
Mg. Director
DIN : 06872891