



**Transpek Industry Limited**  
Reg. Office:  
6th Floor, Marble Arch  
Race Course Circle  
Vadodara - 390 007, Gujarat, (India)

**Date : 17<sup>th</sup> July, 2019**

To,  
BSE Limited  
Pheeroze Jeejeebhoy Towers,  
Dalal Street,  
Fort, Mumbai - 400 001

**Sub : Intimation of Commencement of dispatch of copies of Annual Report to the Shareholders accompanied by the Notice of Annual General Meeting**

Dear Sir/Madam,

This is to inform you that pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Company has commenced its dispatch of copies of Annual Report to its Shareholders along with Notice of Annual General Meeting in email & physical mode.

We forward herewith a copy of Annual Report including Notice for your reference and record.

Thanking You,  
Yours faithfully,

**For Transpek Industry Limited**

  
**Alak D. Vyas**  
**Company Secretary &**  
**Compliance Officer**



Alak/Richa



Works:  
At. & Post: Ekalbara  
Taluka: Padra  
Dist.: Vadodara - 391 440  
Gujarat (India)  
Ph.: +91-2662-244444, 244318, 244309  
Fax: +91-2662-244439, 244207



Company Identification No.: L23205GJ1965PLC001343

[www.transpek.com](http://www.transpek.com)  
WEBSITE  
[inquiry@transpek.com](mailto:inquiry@transpek.com)  
EMAIL



Transpek Industry Limited



2018-19

ANNUAL  
REPORT

SUSTAINABILITY | GROWTH | SOCIAL RESPONSIBILITY





## 53<sup>RD</sup> ANNUAL GENERAL MEETING

53<sup>rd</sup> Annual General Meeting will be held on Friday, the 9th day of August, 2019 at 04:00 p.m. at **Crystal Room, 1st Floor**, Hotel Grand Mercure - Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020.

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. You are requested to bring your copy of the Annual Report to the Meeting.

### A Request

We are sure you have read with interest the accounts of the year ended 31<sup>st</sup> March, 2019. You may desire to have some clarification or additional information on the said accounts at the ensuing Annual General Meeting. We shall very much appreciate, if you kindly write to us atleast ten days in advance in order to enable us to keep the information ready for you at the meeting. We solicit your kind co-operation.

## BOARD OF DIRECTORS

**Ashwin C. Shroff**

Chairman

**Bimal V. Mehta**

Managing Director

**Atul G. Shroff**

**Dipesh K. Shroff**

**Dr. Bernd Dill**

**Ravi A. Shroff**

**Ninad D. Gupte**

**Nimish U. Patel**

**Geeta A. Goradia**

**Hemant J. Bhatt**

**Alak D. Vyas**

Company Secretary & Compliance Officer

### Bankers

State Bank of India

Bank of Baroda

Axis Bank Ltd.

IDBI Bank Ltd.

### Auditors

CNK & Associates, LLP

Chartered Accountants

### Cost Auditors

Y. S. Thakar & Co.

Cost Accountants

### Secretarial Auditor

CS Vijay L. Vyas

Practising Company Secretary

**TRANSPEK INDUSTRY LIMITED (CIN : L23205GJ1965PLC001343)**

### REGISTERED OFFICE

6th Floor, Marble Arch,  
Race Course,  
Vadodara - 390 007.

### WORKS

Village Ekalbara,  
Tal. Padra,  
Dist. Vadodara - 391 440.

### COMPANY'S R & T AGENT

Link Intime India Pvt. Ltd.  
B-102 & 103, Shangrila Complex,  
First Floor, Nr. Radhakrishna Char Rasta,  
Akota, Vadodara - 390 020.

# CONTENTS

03

Notice to The Members

17

Directors' Report

58

Report on Corporate Governance

73

Ten-Years Highlights

74

Performance - An Overview

76

Independent Auditor's Report

84

Notes Forming Part of The  
Standalone Financial  
Statements

98

Balance Sheet as at  
31st March, 2019

100

Statement of Profit & Loss for  
the year ended  
31st March, 2019

101

Statement of Cash Flow for the year  
ended 31st March, 2019

103

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

104

Notes To Financial Statements  
for The Year Ended  
31st March, 2019

140

Independent Auditor's  
Report on Consolidated Ind  
AS Financial Statements

145

Notes Forming Part Of The  
Group's Consolidated Ind AS  
Financial Statements

159

Consolidated Balance Sheet  
as at March 31, 2019

161

Consolidated Statement of  
Profit And Loss for The Year  
Ended 31st March, 2019

162

Consolidated Statement of  
Cash Flows for The Year  
Ended 31st March, 2019

164

Consolidated Statement of  
Changes in Equity for The  
Year Ended 31st March, 2019

165

Notes To Consolidated  
Financial Statements for The  
Year Ended 31st March, 2019

202

Form AOC - 1

## NOTICE TO THE MEMBERS

**NOTICE IS HEREBY GIVEN THAT** the 53rd ANNUAL GENERAL MEETING of the Members of **TRANSPEK INDUSTRY LIMITED** will be held at 04.00 p.m. on Friday, the 9th day of August 2019, at Crystal Room, 1st Floor, Hotel Grand Mercure – Surya Palace, Opp: Parsi Agiyari, Sayajigunj, Vadodara – 390020 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the year ended on 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon, and for that purpose to consider and pass the following resolution as an **Ordinary Resolution**:-
  - (a) **"RESOLVED THAT** the Audited Financial Statements of the Company for the year ended on 31st March, 2019 and the Reports of the Auditors and the Board of Directors thereon laid before this meeting be and are hereby considered and adopted."
  - (b) **"RESOLVED THAT** the Consolidated Audited Financial Statements of the Company for the year ended on 31st March, 2019 and the Reports of the Auditors and the Board of Directors thereon laid before this meeting be and are hereby considered and adopted."
2. To declare dividend on the equity shares of the Company and for that purpose to consider and pass the following resolution as an **Ordinary Resolution**:-
 

**"RESOLVED THAT** Dividend at the rate of Rs.20/- (Rupees twenty only) per Equity Share for the financial year ended on 31st March, 2019, be and is hereby declared and the same be paid on 55,85,569 Equity Shares of Rs.10/- (Rupees Ten only) each fully paid up, as recommended by the Board of Directors of the Company."
3. To appoint a Director in place of Shri Ashwin C. Shroff, who retires by rotation and, being eligible, offers himself for reappointment and for that purpose to consider and pass the following resolution as an **Ordinary Resolution**:-
 

**"RESOLVED THAT** Shri Ashwin C. Shroff, a Director of the Company, retiring by rotation at this Annual General Meeting and being eligible for re-appointment, pursuant to the provisions of Section 152 of the Companies Act, 2013, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the Financial Year ending on 31st March, 2020 and for that purpose to consider and pass the following resolution as an **Ordinary Resolution**:-
 

**"RESOLVED THAT,** pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, if applicable, (including any statutory modification[s] or re-enactment thereof for the time being in force), the remuneration of Rs. 1,40,000/- (Rupees One Lakh Forty Thousand) plus applicable Goods and Services Tax fixed by the Board of Directors of the Company, in respect of M/s Y. S. Thakar & Co., Cost Accountants – Firm Registration Number: 000318, the Cost Auditor of the Company, be and is hereby ratified."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."
5. To appoint Smt. Geeta Amit Goradia as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-
 

**"RESOLVED THAT,** pursuant to the provisions of Sections 149 and 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Geeta Amit Goradia (DIN: 00074343), who was appointed as an Independent Director of the Company for a period of five years from the conclusion of the 48th Annual General Meeting to the conclusion of the 53rd Annual General Meeting in the calendar year 2019 and in respect of whom



## NOTICE TO THE MEMBERS...

the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) consecutive years commencing from this 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2024 and that she shall not be liable to retire by rotation."

6. To appoint Shri Nimishbhai Upendrabhai Patel as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**

**"RESOLVED THAT,** pursuant to the provisions of Sections 149 and 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Nimishbhai Upendrabhai Patel (DIN: 00039549), who was appointed as an Independent Director of the Company for a period of five years from the conclusion of the 48th Annual General Meeting to the conclusion of the 53rd Annual General Meeting in the calendar year 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) consecutive years commencing from this 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2024 and that he shall not be liable to retire by rotation."

7. To appoint Shri Hemantkumar Jayantiprasad Bhatt as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**

**"RESOLVED THAT,** pursuant to the provisions of Sections 149 and 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Hemantkumar Jayantiprasad Bhatt (DIN: 02657432), who was appointed as an Independent Director of the Company for a period of five years from the conclusion of the 48th Annual General Meeting to the conclusion of the 53rd Annual General Meeting in the calendar year 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) consecutive years commencing from this 53rd Annual General Meeting till the conclusion of 58th Annual General Meeting of the Company to be held in the calendar year 2024 and that he shall not be liable to retire by rotation."

8. To appoint Shri Ninad Dwarkanath Gupte as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**

**"RESOLVED THAT,** pursuant to the provisions of Sections 149 and 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ninad Dwarkanath Gupte (DIN: 00027523), who was appointed as an Independent Director of the Company for a period of five years from the conclusion of the 48th Annual General Meeting to the conclusion of the 53rd Annual General Meeting in the calendar year 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) consecutive years commencing from this 53rd Annual General Meeting till the conclusion of 58th Annual General Meeting of the Company to be held in the calendar year 2024 and that he shall not be liable to retire by rotation."

9. To appoint Dr. Bernd Dill as an Independent Director and in this regard to consider and, if thought fit, to pass with or without

## NOTICE TO THE MEMBERS...

modification(s), the following resolution as a **Special Resolution**:-

**"RESOLVED THAT**, pursuant to the provisions of Sections 149 and 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Bernd Dill (DIN: 01300832), who was appointed as an Independent Director of the Company for a period of five years from the conclusion of the 48th Annual General Meeting to the conclusion of the 53rd Annual General Meeting in the calendar year 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) consecutive years commencing from this 53rd Annual General Meeting till the conclusion of 58th Annual General Meeting of the Company to be held in the calendar year 2024 and that he shall not be liable to retire by rotation."

**Regd. Office:**

6th Floor, Marble Arch,  
Race Course,  
Vadodara – 390007

**Dated: 25th June, 2019**

**By Order of the Board of Directors**

**For Transpek Industry Limited**

**Alak D. Vyas**  
**Company Secretary &**  
**Compliance Officer**

**NOTES:**

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY CANNOT VOTE ON E-VOTING.  
(b) The instrument appointing a proxy should be deposited at the Regd. Office of the Company not less than 48 hours before the commencement of the meeting.  
(c) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights.  
(d) A member holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative/s to attend the meeting and vote on their behalf pursuant to Section 113 of the Act.
3. A Statement as required under Section 102 of the Act in respect of Special Business at items no. 4 to 9 is annexed hereto.
4. Members are requested to bring their attendance slip or L.F. No. or DP ID and Client ID nos. for easy identification of their attendance at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd August, 2019 to 9th August, 2019 (both days inclusive).
6. Payment of the dividend declared at the meeting will be made within thirty (30) days from the date of Annual General meeting to the members whose names stand on the Company's Register of Members on 2nd August, 2019 and to the beneficial owner(s) as per the beneficiary list at the close of business hours on 2nd August, 2019 provided by the National Securities and Depository Limited and Central Depository Services (India) Limited.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository



## NOTICE TO THE MEMBERS...

accounts will be used by the Company for payment of dividend declared at the meeting. The Company or its Registrars & Transfer Agents viz. Link Intime India Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates or their address. Such changes are to be advised only to the Depository Participants by the members.

8. Payment of dividend declared at the meeting will be made through National Automated Clearing House (NACH)/ National Electronic Clearing Service (NECS) at the RBI Centres by crediting the dividend amount to the bank accounts of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under the RBI Centres who have not furnished the requisite information and who wish to avail of the NACH/NECS facility to receive the dividend from the Company may furnish the information to M/s. Link Intime India Private Limited, the Registrars and Transfer Agents not later than 31st July, 2019. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through the NACH/NECS mechanism.
9. Electronic copy of the Annual Report for 2018-2019, the Notice for the 53rd Annual General Meeting of the Company to be held on Friday, 9th August, 2019 *inter alia* indicating the process and manner of e-voting along with attendance slip and Proxy Form are being sent to all the members whose email addresses are registered with the Company/Depository Participants for communication purposes, unless any such member requests for a physical printed copy of the same. Even after registering for e-communication, such members can send their written request for printed copy of the said documents which will be then supplied free of cost by post/courier to their registered address. The shareholders may send requests/communication by email to the Company's investor relations email id: [investorrelations@transpek.com](mailto:investorrelations@transpek.com), quoting their L.F.No. or Client ID and DP ID nos. For members who have not registered their email addresses, physical printed copies of the Annual Report for 2018-2019 are being sent.
10. Members may note that the notice for the 53rd Annual General Meeting to be held on Friday, 9th August, 2019, the statement under Section 102, and the Annual Report for the FY 2018-2019 will also be available on the Company's website [www.transpek.com](http://www.transpek.com). Physical copies of the aforesaid documents and the documents referred to in the statement under Section 102 will also be available at the Company's Registered Office for inspection by members during 14.00 hours to 16.00 hours on any working day (Monday to Saturday, except holidays) before the date of the Annual General Meeting.
11. Members are requested to notify promptly any changes in their postal/email addresses or bank mandates to their respective Depository Participants in respect of their electronic share accounts quoting Client ID no. and in respect of their physical shares, quoting their Folio no. to Link Intime India Pvt. Ltd., Vadodara, the Company's Registrars and Transfer Agents.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form shall submit their PAN to the Company / R & T Agent viz. Link Intime India Pvt. Ltd., Vadodara.
13. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. Nomination form is available on the Company's website, which may be printed, filled up, signed and sent to the Company/R & T Agent viz. Link Intime India Pvt. Ltd., Vadodara.
14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Private Limited, Vadodara for consolidation into a single folio. Transfer of physical shares is not permissible from 1st April, 2019 as per SEBI's directives.
15. Non-Resident Indian Members are requested to inform the Company's R & T Agent viz., Link Intime India Private Limited, Vadodara immediately of:
  - I. Change in their Residential Status on return to India for permanent settlement.
  - II. Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the bank with Pin code no., if not furnished earlier.

## NOTICE TO THE MEMBERS...

16. Members who have not registered their email addresses so far are requested to register their email addresses for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically, as provided for in the Companies Act, 2013 and the Rules made thereunder.
17. The Company has transferred the unpaid or unclaimed dividends declared upto financial year 2010-2011, from time to time on due dates, to the Investor Education and Protection Fund Account established by the Central Government. Further, as per the provisions of the Act and IEPF Rules, 2017, the Company has transferred those equity shares to the said account whose dividend had been lying unclaimed with the Company for a period of seven consecutive years. The Company has uploaded the details of unpaid and unclaimed Dividends and Matured Deposits and Unclaimed interest on deposits lying with the Company as on 31st March, 2019 on the website of the Company [www.transpek.com](http://www.transpek.com). Members who have not encashed their Dividend Warrants for the financial year 2012-2013 or subsequent financial years are requested to write immediately to the Company enclosing their Dividend Warrants for issue of cheque/ demand draft against such invalid Dividend Warrants before such unclaimed dividend becomes due for transfer to the Investor Education and Protection Fund (IEPF).
18. The Company has dematerialized and transferred 62 unclaimed Equity shares lying with the Company to the Suspense Account as required under the SEBI (LODR) Regulations, 2015. The voting rights in respect of such shares remain suspended.
19. In case of two or more joint holders attending the meeting, only such joint holder who is higher in the order of names on the Company's record will be entitled to vote at the meeting. Shareholders are requested to provide their Ledger Folio No. or DP ID and Client ID no. at the time of voting.
20. **Voting through electronic means:**

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer 'remote e-voting' (e-voting from a place other than the venue of the Annual General Meeting) facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with the Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The facility for voting, either through the electronic voting system or through ballot/polling paper shall also be made available at the venue of the 53rd Annual General Meeting. Only the persons who are members of the Company as on 2nd August, 2019 (i.e. the cut-off date) will be eligible to vote by electronic means or at the 53rd Annual General Meeting.

Members of the Company attending the meeting, if they have not cast their votes through remote e-voting, shall be eligible to exercise their voting rights at the meeting. Members who have already cast their votes through remote e-voting, may attend the meeting but shall not be entitled to cast their vote at the Annual General Meeting.

The Company has appointed CS Vijay L. Vyas, Company Secretary in Practice, as the Scrutinizer for conducting the remote e-voting and the voting process at the Annual General Meeting in a fair and transparent manner. E-voting is optional. In terms of the requirement of the Companies Act, 2013 and the relevant Rules thereunder, the Company has fixed 2nd August, 2019 as the 'cut-off date'. The remote e-voting/voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date.

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period shall begin on Tuesday, 5th August, 2019 at 10.00 a.m. and end on Thursday, 7th August, 2019 at 05.00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (2nd August, 2019) may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members holding shares in the Company in physical or in demat form as on 2nd August, 2019 shall only be eligible for e-voting.
- (ii) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the Cut-off Date i.e. 2nd August, 2019, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or at [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in). However, if he/she is already registered

## NOTICE TO THE MEMBERS...

with CDSL for remote e-Voting then he/she can use his/ her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at the Toll Free No.: 1800-22-5533.

- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) (ONLY MEMBERS CAN VOTE ON REMOTE E-VOTING)
- (iv) Click on Shareholders
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 character DP ID followed by 8 digits Client ID
  - c. Members holding shares in physical form should enter Folio Number registered with the Company
- (vi) Next enter the Image Verification as displayed and click on Login
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are the FIRST TIME USER, follow the steps given below:

### For FIRST TIME USER MEMBERS holding shares in demat form and physical form

<b>PAN</b>	Enter your 10 digit alpha-numeric * <b>PAN</b> issued by the Income-tax Department (applicable for both Demat and Physical Shareholders)  * Members who have not updated their <b>PAN</b> with the Company/Depository Participant are requested to use the sequence number printed on Attendance Slip indicated in <b>PAN</b> field.
<b>DOB</b>	Enter the Date of Birth (DOB) as recorded in your demat account or in the Company's records for the said demat account in dd/mm/yyyy format or Folio No.;
	<b>OR</b>
	Enter the Dividend Bank Details as recorded in your demat account or in the Company's records for the said demat account or Folio.
<b>Dividend Bank Details</b>	Please enter the <b>DOB</b> or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company, please enter the User ID/Folio Number in the Dividend Bank details fields as mentioned in instruction (iv) above.

- (ix) After entering the details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat shareholder for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant < Company Name > on which you choose to vote.
- (xiii) On the voting page you will see "RESOLUTION DESCRIPTION" and against the same the options of "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the resolution and option "NO" implies that you dissent to the resolution.



## NOTICE TO THE MEMBERS...

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out the print of the voting done by you by clicking on "click here to print" option on the voting page.
- (xviii) If a demat account holder has forgotten the password then enter the User ID and the image verification code and click on "forgot password" and enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile application while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
  - a) Non – Individual Shareholders (i.e. other than individuals, HUF, NRI, etc.) and Custodian are required to logon to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b) A scanned copy of registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - c) After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they vote on.
  - d) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e) A scanned copy of Board Resolution and Power of Attorney (POA) which they have issued in favour of Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer to Frequently Asked Questions ("FAQ") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under "Help" section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

A copy of this notice has been placed on the website of the Company and the website of CDSL.

The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the vote cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall counter-sign the same. The Chairman or the person authorized by him in writing shall declare the result of the voting forthwith, in the format prescribed under Regulation 44 (3) of the SEBI (LODR) Regulations, 2015.

The results declared along with the Scrutinizer's Report shall immediately be placed on the Company's website [www.transpek.com](http://www.transpek.com) and on the website of CDSL. The said results shall also be communicated to BSE Limited, which shall place it on its website thereafter.

20. The Information as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 in respect of the Director seeking re-appointment is as under:

Name of Director	Ashwin C. Shroff
Date of Birth	22nd January, 1945

## NOTICE TO THE MEMBERS...

Date of re-appointment	5th August, 2016
Expertise in Specific Functional Areas	Industrialist with vast experience in Chemicals and Agrochemicals Industry/Business
Qualifications	Science Graduate/ B. Sc
Brief Resume of Shri Ashwin C. Shroff	<p>Shri Ashwin C. Shroff is the Chairman &amp; Managing Director of Excel Industries Limited. He is a Science Graduate and started his career in 1965 as a young trainee and has grown to spearhead Excel Industries Limited. Along with these years of growth, both Excel Industries Limited and Shri Ashwin Shroff have emerged stronger, helping the growth of industrial chemicals, agro-chemicals and environment- related businesses. He was the President of Indian Chemical Manufacturers Association (now Indian Chemical Council) during 1996-1998. He has been a leading spokesperson of chemical industry and has represented various issues of the industry to the Government of India. He has been actively associated with various NGOs promoted by Excel Group of Industries. He is a Member of the Managing Committee of Ramkrishna Mission, Mumbai and he was Chairman of FICCI Environment Committee and member of FICCI Chemicals Committee.</p> <p><b>He was conferred with the Life Time Achievement Award in the year 2012 by Indian Chemical Council, Mumbai.</b></p>
Companies in which Directorship held	<ul style="list-style-type: none"> <li>• Excel Industries Limited</li> <li>• Transpek Industry Limited</li> <li>• Transpek-Silox Industry Private Limited</li> <li>• Excel Bio Resources Limited</li> <li>• Anshul Specialty Molecules Private Limited</li> <li>• Kamaljiyot Investments Limited</li> <li>• Mobitrash Recycle Ventures Private Limited</li> <li>• Developmental &amp; Eco-Friendly Enterprises</li> <li>• Centre for Bharatiya Management Development</li> </ul>
Listed Companies in which Membership of Committees of Directors held	NIL
Relationship with other Directors or Key Managerial Personnel	Shri Ravi A. Shroff, Director of the Company is his son. None of the other Directors or Key Managerial Personnel is relative of Shri Ashwin C. Shroff.
No. of shares held in the Company as at 31.03.2019	1,63,919

## ANNEXURE TO THE NOTICE

### STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

#### **Item No. 4:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 as per the following details:

## ANNEXURE TO THE NOTICE...

Name of the Cost Auditor	Type of Industry	Audit Fees
<b>Y. S. Thakar and Co. Cost Accountants Firm Regn. No. 000318</b>	<b>Chemical</b>	<b>Rs. 1.40 lakhs plus applicable taxes</b>

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2020.

The Board commends the Ordinary Resolution under Item No. 4 of the Notice for the approval of the members.

None of the Directors, their relatives, Key Managerial Personnel of the Company or their respective relatives is in any way interested or concerned in the said Resolution.

### **Item No. 5:**

The members had, on the recommendation of the Board of Directors, appointed Smt. Geeta Amit Goradia as an Independent Director of the Company for a period of five consecutive years effective from the conclusion of the 48th Annual General Meeting held on 18th September, 2014 to the conclusion of this 53rd Annual General Meeting, pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ("the Act") read with Schedule – IV of the Act and Clause 49 of the Listing Agreement.

In terms of the provisions of Section 149 (10) of the Act and Regulation 25 (2) of the SEBI (LODR) Regulations, 2015 an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such-appointment in the Board's Report.

Accordingly, the Board of Directors, have, at their meeting held on 21st June, 2019, on the basis of the recommendations of the Nomination and Remuneration Committee of Directors at its meeting held on 21st June, 2019, recommended the re-appointment of Smt. Geeta Amit Goradia for a further period of five consecutive years, commencing from the conclusion of this 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting to be held in the calendar year 2024. She shall not be liable to retire by rotation.

The Company has received a declaration from Smt. Geeta Amit Goradia that she meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under Regulation 25 of the SEBI Listing Regulations, 2015 as amended from time to time.

Smt. Geeta Amit Goradia neither holds any share in the Company nor she is related to any Director of the Company.

Upon approval of her re-appointment as an Independent Director by the members of the Company, letter of re-appointment shall be issued to her.

Keeping in view her considerable experience and knowledge, it would be in the interest of the Company that Smt. Geeta Amit Goradia is re-appointed as an Independent Director. Her brief profile is as under:

Date of Birth: 19/09/1953. Ms. Geeta Goradia has over 30 years of experience in manufacturing of Oral Care Products. She is the Managing Director of Jewel Consumer Care Pvt. Ltd. (Jewel) and Director on the board of Pioneer Furnaces Pvt. Ltd. She is also an independent director on the board of Panasonic Energy India Co. Ltd. Vadodara, Gujarat State Fertilizers & Chemicals Ltd. (GSFC), Gujarat State Energy Generation Ltd. (GSEG) and Women Director on the Board of Sabarmati Gas Ltd.

From a modest beginning in 1986, the industry she is heading has grown exponentially. Jewel is a major exporter of Tooth Brushes & other Oral Care Products to over 50 countries and also Exporting to multinationals like Unilever, Wal-Mart, ASDA and several pvt. label retail chains across the Globe.

Jewel a "TWO STAR EXPORT HOUSE" has been awarded Top Exporter of Toothbrushes, including Dental Plate Brushes since 2007 continuously till 2017 & Top Exporter for House hold Brushes since 2009 continuously till 2017, both by PLEXCONCIL, Dept. of Commerce, Government of India. She has been a recipient of several awards : to name a few National Award for Best Performing Female Entrepreneur in Plastics, FLO (FICCI) Award, Lions Ratna Award, Gauravvanta Gujarati Award, Best Woman



## ANNEXURE TO THE NOTICE...

Entrepreneur Award, Leadership Award, & many other. She has been the Former first lady president of Federation Of Gujarat Industries (FGI) also has been a Syndicate & Senate member of MS University.

She is actively connected with various Social & Charitable Organizations like Member on the Board of Governors of Charutar Arogya Mandal, Hospital in Karamsad, Active Member of United Way of Baroda, Ramkrishna Mission, Trustee of Swar Vilas & Samvitti Foundation and few others.

Save and except Smt. Geeta Amit Goradia and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and other Key Managerial Personnel of the Company or their respective relatives is, in anyway, interested or concerned in the said resolution.

The Board commends the Special Resolution under item no.5 of the Notice for the approval of the members.

### **Item No. 6:**

The members had, on the recommendation of the Board of Directors, appointed Shri Nimishbhai Upendrabhai Patel as an Independent Director of the Company for a period of five consecutive years effective from the conclusion of the 48th Annual General Meeting held on 18th September, 2014 to the conclusion of this 53rd Annual General Meeting, pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ("the Act" read with Schedule – IV of the Act and Clause 49 of the Listing Agreement.

In terms of the provisions of Section 149 (10) of the Act and Regulation 25 (2) of the SEBI (LODR) Regulations, 2015 an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such-appointment in the Board's Report.

Accordingly, the Board of Directors, have, at their meeting held on 21st June, 2019, on the basis of the recommendations of the Nomination and Remuneration Committee of Directors at its meeting held on 21st June, 2019, recommended the re-appointment of Shri Nimish U. Patel for a further period of five consecutive years, commencing from the conclusion of this 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting to be held in the calendar year 2024. He shall not be liable to retire by rotation.

The Company has received a declaration from Shri Nimishbhai Upendrabhai Patel that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under Regulation 25 of the SEBI Listing Regulations, 2015 as amended from time to time.

Shri Nimishbhai Upendrabhai Patel neither holds any share in the Company nor is he related to any Director of the Company.

Upon approval of his re-appointment as an Independent Director by the members of the Company, letter of re-appointment shall be issued to him.

Keeping in view his considerable experience and knowledge, it would be in the interest of the Company that Shri Nimishbhai Upendrabhai Patel is re-appointed as an Independent Director.

His Profile is as under:

Date of birth: 22/12/1965.

Shri Nimishbhai Upendrabhai Patel, aged 53 years, has 28 years of experience with the industry in the field of Electro Plating, Textile and Pharma Industries. He is the Managing Director of Shri Dinesh Mills Ltd. since 2010. He is also holding the position of Director in Ultramarine & Pigments Limited. He is also the Chairman and Managing Director of Dinesh Remedies Limited, a subsidiary of Shri Dinesh Mills Limited., He is also the Managing Trustee of Shri Maganbhai B. Patel's Charity Trust and Trustee of Shri Dinesh Foundation.

Save and except Shri Nimishbhai Upendrabhai Patel and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and other Key Managerial Personnel of the Company or their respective relatives is, in anyway, interested or concerned in the said resolution.

The Board commends the Special Resolution under item no.6 of the Notice for the approval of the members.

### **Item No. 7:**

The members had, on the recommendations of the Board of Directors, appointed Shri Hemantkumar Jayantiprasad Bhatt as an

## ANNEXURE TO THE NOTICE...

Independent Director of the Company for a period of five consecutive years effective from the conclusion of the 48th Annual General Meeting held on 18th September, 2014 to the conclusion of this 53rd Annual General Meeting, pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ("the Act" read with Schedule – IV of the Act and Clause 49 of the Listing Agreement.

In terms of the provisions of Section 149 (10) of the Act and Regulation 25 (2) of the SEBI (LODR) Regulations, 2015 an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such-appointment in the Board's Report.

Accordingly, the Board of Directors, have, at their meeting held on 21st June, 2019, on the basis of the recommendations of the Nomination and Remuneration Committee of Directors at its meeting held on 21st June, 2019, recommended the re-appointment of Shri Hemantkumar Jayantiprasad Bhatt for a further period of five consecutive years, commencing from the conclusion of this 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting to be held in the calendar year 2024. He shall not be liable to retire by rotation.

The Company has received a declaration from Shri Hemantkumar Jayantiprasad Bhatt that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under Regulation 25 of the SEBI Listing Regulations, 2015 as amended from time to time.

Shri Hemantkumar Jayantiprasad Bhatt neither holds any share in the Company nor is he related to any Director of the Company.

Upon approval of his re-appointment as an Independent Director by the members of the Company, letter of re-appointment shall be issued to him.

Keeping in view his considerable experience and knowledge, it would be in the interest of the Company that Shri Hemantkumar Jayantiprasad Bhatt is re-appointed as an Independent Director.

His profile is as under:

Date of birth: 14/09/1955, He is a Practising Chartered Accountant.

Educational qualifications: B.Com; FCA, DISA (ICAI); Black Belt – Six Sigma

Shri Hemantkumar Jayantiprasad Bhatt is having 34 years of post qualification experience in the financial domain. The scope of excellence includes Auditing (Statutory & Internal), Project consulting, Fund syndication, Merchant Banking Activities, Financial Consulting, Risk Management, Corporate Governance, Six Sigma, IFRS, XBRL, SOX. He is currently a senior Partner in M/s. Haribhakti & Co., a Mumbai based Chartered Accountancy firm having its presence in many major cities in India.

He has handled various prestigious assignments of joint sectors like GSFC, GNFC, GACL, GMDC, Sardar Sarovar Nigam Limited, GIFT; private sector entities like Reliance, ADAG, S Kumars etc. and other entities like NDDDB, Agakhan Foundation, IRMA, MICA etc. He has also carried out Central audit of several Private, International as well as Schedule Banks and audits in various education sectors. He also has exposure of International assignments in USA, Malaysia and Middle East Countries. Shri Hemantkumar Jayantiprasad Bhatt is also a Director on the Board of M/s. Atul Auto Limited.

Save and except Shri Hemantkumar Jayantiprasad Bhatt and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and other Key Managerial Personnel of the Company or their respective relatives is, in anyway, interested or concerned in the said resolution.

The Board commends the Special Resolution under item no.7 of the Notice for the approval of the members.

### **Item Nos. 8 & 9:**

The members had, on the recommendations of the Board of Directors, appointed Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte as Independent Directors of the Company for a period of five consecutive years effective from the conclusion of the 48th Annual General Meeting held on 18th September, 2014 to the conclusion of this 53rd Annual General Meeting, pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ("the Act") read with Schedule – IV of the Act and Clause 49 of the Listing Agreement.

## ANNEXURE TO THE NOTICE...

At the time of their appointment as mentioned above, SEBI had, vide circular no. CIR/CFD/Policy Cell/2/2014 dated 17th April, 2014 (effective from 1st October, 2014), amended Clause 49 of the Listing Agreement to provide for tenure of the Independent Director which mentioned that a person who has already served as an Independent Director for five years or more as on 1st October, 2014 shall be eligible for appointment on completion of his present term, for one more term upto five years only. Accordingly, the Statement dated 28th July, 2014 pursuant to Section 102(1) of the Act annexed to the Notice for the Annual General Meeting held on 18th September, 2014 included the following:

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. An Independent Director can hold office for a term upto five consecutive years on the Board of Directors of your Company and shall be eligible for re-appointment for a term of further five years on the passing of a Special Resolution by the Company after the completion of the first five year term and disclosure of such appointment in the Board's Report. However, in accordance with the provisions of the Listing Agreement to be effective from 1st October, 2014, a person who has already served as an Independent Director for five years or more as on 1st October, 2014 shall be eligible for appointment, on completion of his present term, for one more term of upto five years only. Such a person shall be eligible for re-appointment as an Independent Director in the Company only after the expiration of three years of ceasing to be an Independent Director in the Company, provided that, during the said period of three years he shall not be appointed in or associated with the Company in any other capacity directly or indirectly. Therefore, in the case of Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte, as they have already served as Independent Directors of the Company for more than five years, they shall not be eligible for re-appointment as Independent Directors upon completion of their five year term in accordance with the Resolutions set out at item nos.8 and 9 of the Notice.

On 15th September, 2014, SEBI, vide circular no. CIR/CFD/Policy Cell/2/2014, (effective from 1st October, 2014), had further amended Clause 49 (II)(B)(3)(a) of the Listing Agreement by substituting the said clause as introduced on 17th April, 2014 by the following:

"The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard from time to time."

A modified version of the above provision is also included in Regulation 25 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 2nd September, 2015 which reads as follows:

**"25 (2) – The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard from time to time."**

Sub-sections (10) and (11) of Section 149 of the Companies Act, 2013 are the relevant provisions of the Companies Act, 2013 relating to the tenure of Independent Directors which read as follows:

149(10) – Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board report.

149(11) – Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to be an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

By virtue of the Explanation to sub-section (11) of Section 149 of the Act, reproduced above, any tenure of an independent director on the date of commencement of the above provisions of the Companies Act, 2013 (1st April 2014) shall not be counted as a term under sub-sections (10) and (11).

Thus, by virtue of the above provisions of the LODR and the Act, the earlier provision stating that a person who has already served as an Independent Director for five years or more as on 1st October, 2014 shall be eligible for appointment on completion of his present term, for one more term upto five years only is longer valid. Accordingly, the mention in the explanatory statement for his re-appointment, which was annexed with the notice for the 48th Annual General Meeting, would stands modified to the extent



## ANNEXURE TO THE NOTICE...

that the tenure of Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte as Independent Directors prior to 1st April, 2014 would not be taken into consideration.

Thus, Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte, pursuant to the provisions of Regulation 25(2) of the SEBI (LODR) Regulations, 2015 read with sub-sections (10) and (11) of section 149 of the Act shall be eligible for re-appointment as Independent Directors on the passing of special resolutions by the Company and disclosure of such-appointments in the Board's Report.

Accordingly, the Board of Directors, have, at their meeting held on 21st June, 2019, on the basis of recommendations of the Nomination and Remuneration Committee of Directors at its meeting held on 21st June, 2019, have recommended the re-appointment of Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte as an Independent Director for a further period of five consecutive years, commencing from the conclusion of this 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting to be held in the calendar year 2024. They shall not be liable to retire by rotation.

The Company has received declarations from Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under Regulation 25 of the SEBI Listing Regulations, 2015 as amended from time to time.

Shri Ninad Dwarkanath Gupte holds 106 equity shares of the Company which constitutes 0.01% of the equity share capital of the Company while Dr. Bernd Dill do not hold a equity share of the Company. They are also not related to any Directors of the Company.

Upon approval of their re-appointment as Independent Directors by members of the Company, letter of re-appointment shall be issued to them.

Keeping in view their considerable experience and knowledge, it would be in the interest of the Company that Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte are re-appointed as Independent Directors.

Their profiles are as under:

### **Dr. Bernd Dill**

Date of birth: 17/09/1950.

Dr. Bernd Dill, a German national, completed his school and university education with emphasis on mathematics and natural sciences, Doctoral Thesis in Chemistry "Summa Cum Laude" at Frankfurt University. Subsequently, he spent 28 years with Ciba Geigy in various international senior assignments. He is the owner of Dr. Bernd Dill Consulting, based in Germany and Switzerland. He has a solid technical background, extensive experience in managing people from culturally very different environments and identification and recognition of talented and outstanding people, strong business and customer orientation, negotiating skills and experience, coupled with initiative, drive and result orientation. He holds membership of several professional organizations, some of which are National Technology and Environment Council of the German Chemical Industry Association, British Chemical Industry Association, American Chemical Society, Optical Society of America, etc. He is also a member of the publishers' Board for Roempp's Chemical Encyclopedia.

### **Shri Ninad Dwarkanath Gupte**

Date of birth: 31/08/1953

Shri Ninad Dwarkanath Gupte has a B.Sc. degree from Bombay University, PGDBM-Equivalent to MBA (XLRI-Jamshedpur), and Diploma in Tax Management (Bajaj Institute of Management-Bombay University). He has 44 years of experience with the industry in the field of chemicals, petrochemicals and agrochemicals, a significant part of which was in key positions in companies such as Excel Industries Limited, BASF India Limited, Herdillia Chemicals Limited and Cheminova India Limited. He is currently the Joint Managing Director of Excel Crop Care Limited a subsidiary of Sumitomo Chemical Company Limited. Prior to that he was the Managing Director of Agrocel Industries Ltd. He has worked with Indian as well as multinational companies at various senior level positions. Shri Ninad Dwarkanath Gupte has been actively involved in various industry associations in senior positions to promote the cause of various industries in which he has operated. He has held the position of Vice-Chairman of Crop Care Federation of India – an Industry body of Agrochemicals manufacturers. He had also held the position of member of Chemicals panel of Export Promotion Council for Chemicals (CHEMEXIL).

## ANNEXURE TO THE NOTICE...

Save and except Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and other Key Managerial Personnel of the Company or their respective relatives are, in anyway, interested or concerned in this resolution.

The Board commends the Special Resolutions under item nos.8 & 9 of the Notice for the approval of the members.

**Regd. Office:**

6th Floor, Marble Arch,  
Race Course,  
Vadodara – 390007

**Dated: 25th June, 2019**

**By Order of the Board of Directors  
For Transpek Industry Limited**

**Alak D. Vyas  
Company Secretary &  
Compliance Officer**

## ROUTE MAP OF ANNUAL GENERAL MEETING VENUE



## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the **Fifty Third Annual Report** together with the Stand alone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

### 1. FINANCIAL RESULTS (STANDALONE):

	2018 - 2019 Rs. in Lakhs	2017 - 2018 Rs. in Lakhs
Net Sales including Trading and Operating Income	59456.57	36357.47
Other Income	1780.35	975.37
Cash Profit/(Loss) before Extraordinary Items and Taxes	11544.76	4494.73
Profit/(Loss) before Tax	10130.51	3502.25
Provision for Taxation		
<b>Current:</b>		
(i) Current Tax	2293.09	680.49
(ii) Deferred Tax (Asset) / Liability	1263.72	209.10
(iii) Tax adjustment for earlier years	-	(27.68)
Profit/(Loss) after Tax	6573.70	2640.27
Balance brought forward from Previous Year	9493.92	6470.99
Amount available for appropriation	15471.11	9493.92

**Note :** Previous year figures have been regrouped / rearranged wherever necessary.

### 2. DIVIDEND:

Your Directors have recommended a dividend of Rs.20/- (i.e.200%) per equity share of Rs. 10/- each on the Equity Share Capital of Rs. 558.56 Lakhs for the year ended 31st March, 2019 (previous year: 90%, i.e. Rs. 9.00/- per share).

The dividend will be paid to members whose names appear in the Register of Members as on 2nd August, 2019, in case of physical shareholding and, in respect of shares in dematerialised form, it will be paid to members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

### 3. RESULTS OF OPERATIONS AND THE STATE OF THE COMPANY'S AFFAIRS:

The Directors are happy to report that the net sale of the Company for the year under review is Rs.59233.41 Lakhs as compared to Rs.35909.12 Lakhs in the previous year, an increase of 64.95%. Exports have increased to Rs.48352.26 Lakhs from Rs.25250.78 Lakhs in the previous year i.e. an increase of 91.49%. The Company has achieved a net profit of Rs.6573.70 Lakhs for the year 2018-19 as against Rs. 2640.29 Lakhs in the previous year, i.e. an increase of 149%.

During the year, sales increased due to significant increase in the export sales.

### 4. OUTLOOK:

The overall outlook for the Indian Chemical Sector continues to remain positive on the backdrop of increasing global demand and state of Chinese chemical manufacturers remaining unchanged. Global chemical companies are exploring the opportunities of making strategic alliances/partnerships and investments with Indian Chemical companies. The demand for **Raw** Materials and Intermediates is on the rise. Further support from the government will help in capturing the available growth potential on offer.



## DIRECTORS' REPORT...

The Company has been constantly strengthening its operations and systems including EHS and Safety Practices to take advantage of the opportunity that may arise considering the current outlook and strong customer relationships. The company has been successful in achieving the desired levels of production under the long term agreement and further consolidated its supplies.

### 5. QUALITY, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT SYSTEMS:

The Company's existing Integrated Management System is accredited with QMS ISO 9001: 2015, EMS ISO 14001:2015 and BS OHSAS 18001: 2007& EMS ISO 50001: 2011. The Company is also now accredited for Energy Management System ISO 50001: 2011 certification with TUV NORD – a certification agency. The Company is committed to ensure protection of the environment and maintenance of biodiversity. The Company continues taking several initiatives to achieve this goal.

The Company places a strong emphasis on ensuring safety of the employees and surrounding population and has very effective safety management systems in place. The Company is a member of the Indian Chemical Council and has taken steps to become a signatory to 'Responsible Care', a globally recognised Chemical Industry initiative. The Company has also achieved Silver grade for its CSR initiatives from Ecovadis, Germany.

### 6. SUBSIDIARY COMPANY:

Transpek Industry (Europe) Limited ('TIEL') is a wholly owned subsidiary of the Company and, during the year under review, it has continued to provide services to some of the Indian companies under REACH regulations. The expenses incurred during the year are apportioned to and recovered by TIEL from Transpek Industry Limited, the holding company and other participating companies resulting in there being no profit and no loss.

### 7. DISCLOSURE UNDER THE COMPANIES ACT, 2013:

Information given below is pursuant to various disclosure requirements prescribed under the Companies Act, 2013 (hereinafter 'the Act') and the rules thereunder, to the extent applicable to the Company and is in addition to those included in appropriate places in the Corporate Governance Report as prescribed under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [hereinafter 'SEBI Listing Regulations'] forming part of the Annual Report.

#### a) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed to this report as 'Annexure – I'.

#### b) WEB ADDRESS WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED:

The Annual Return in form no. MGT – 7 as per Sections 134 (3) (a) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management and Administration) Rules, 2014 is placed on the website of the Company [www.transpek.com](http://www.transpek.com).

#### c) EXTRACTS OF ANNUAL RETURN & OTHER DISCLOSURES:

The extract of the Annual Return in form no. MGT-9 as per Section 134(3)(a) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management and Administration) Rules, 2014, is annexed to this report as 'Annexure – II'.

#### d) REMUNERATION POLICY AND INFORMATION REGARDING REMUNERATION:

Particulars of the Company's Remuneration Policy and information pursuant to Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as 'Annexure – III'. The copy of the policy is placed on the website of the Company [www.transpek.com](http://www.transpek.com).

#### e) CRITERIA FOR APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Nomination and Remuneration Committee shall consider the following aspects and traits for selecting a person for Directorship:

## DIRECTORS' REPORT...

- Qualifications; Age; Expertise and Experience; Understanding of Governance and Management Practices and Independence

The Nomination and Remuneration Committee shall consider the following aspects and traits for selecting a person for appointment in Key Managerial position and other Senior Management Positions:

- Qualifications; Age; Experience and Competence; Industry background and Managerial and Leadership abilities

The Copy of policy is placed on the website of the Company [www.transpek.com](http://www.transpek.com).

### f) **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

During the year under review, your Company has not directly or indirectly –

- given any loan to any person or other body corporate other than usual advances envisaged in a contract for supply of materials or equipment or job work, if any;
- given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

### g) **RELATED PARTY TRANSACTIONS:**

During the year under review, all the Related Party Transactions were in the ordinary course of business and on an arm's length basis. Those transactions were placed before the Audit Committee of Directors for prior approval in the form of omnibus approval as provided in SEBI LODR Regulations.

Apart from these, the Company has carried out transactions with the following related parties as per the contracts approved by the Audit Committee and Board of Directors of the Company as re-quired under the Act and the SEBI LODR Regulations:

- continued the arrangement with M/s. TML Industries Limited ('TML') for manufacture of the Company's product on job-work basis at TML's factory premises situated at Village: Piludra, Dist: Bharuch and Village: Karakhadi, Dist: Vadodara; and
- Payment of Commission on Sales to M/s. Anshul Life Science as a Distributor of the Company's products.

Considering the turnover of the Company and as per the criteria laid down under Section 188 of the Act and the Rules framed there under and under Regulation 23 of the SEBI Listing Regulations, both the aforementioned transactions were not "material" requiring shareholders' approval.

Details relating to these transactions have been given in **Annexure IV** to this report in the prescribed form AOC – 2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014.

The policy on materiality of related party transactions etc., as approved by the Board is placed on the Company's website on the link: <http://www.transpek.com/pdf/policy-on-materiality-of-events.pdf>.

Your Directors draw attention of the members to Note no.42 to the financial statement which sets out related party disclosures.

### h) **RISK MANAGEMENT:**

The Company has formulated a policy to identify and evaluate business risks and opportunities in compliance with the provisions of Section 134 (3) (n) of the Act. This policy framework ensures transparency, minimizes adverse impact on the business objectives and enhances the Company's competitive advantage.

On the basis of ISO: 31000 standard, the Company has adopted the Risk Management Procedures and has also put a mechanism in place for managing risk factors in technical and commercial areas.

The Company has voluntarily constituted a Risk Management Committee comprising the following Directors and a Senior Executive to monitor and review the Risk Management Plan of the Company, though Regulation 21 of the SEBI Listing Regulations is not applicable:

## DIRECTORS' REPORT...

1. Shri Bimal V. Mehta : Managing Director & Chairman of the Committee
2. Shri Ravi A. Shroff : Promoter Director & member of the Committee
3. Shri R.B. Shetty : Sr. Vice President – Technical & member of the Committee

i) **EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF DIRECTORS AND INDIVIDUAL DIRECTORS:**

Pursuant to the provisions of Sections 134 (3) (p) and 178 of the Act, Rule 8(4) of the Companies (Accounts) Rules, 2014 and Regulations 17 and 19 of SEBI LODR Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually, evaluation of the Chairman of the Board as well as of the working of its Audit, Nomination & Remuneration and other Committees of the Board. The manner in which the evaluation has been carried out has been explained in the 'Corporate Governance Report' which forms a part of this Annual Report.

j) **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There was an accidental leakage of Terephthaloyl Chloride in ACL-6 Plant of the Company at Village: Ekalbara, Taluka: Padra, District: Vadodara on 8th May, 2019 and five employees of the Company working in the said plant sustained minor to severe burn injuries and they were admitted in city's prominent multi-speciality hospital for medical treatment. Two of them with minor burn injuries were immediately discharged after treatment. The other three employees with different degrees of burns were also treated by a highly competent team of medical experts and they have also now been discharged. Their conditions are now stable and are recovering well.

Consequent upon this incident and pursuant to the orders received from the Factory Inspector and Gujarat Pollution Control Board dated 9th May, 2019 all operational activities had remained suspended. Subsequently, the Company has on 24th June, 2019, received order of revocation of closure of its operations at its factory premises at Ekalbara and Company has restarted its operations.

As required under the SEBI LODR Regulations, the Company has informed the BSE Limited about this incident and the orders for suspension of operations as well as revocation of suspension orders at Ekalbara unit. The closure has resulted in production & revenue loss until restoration of operations.

k) **ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company has laid down adequate and effective Internal Financial Controls with reference to financial statements, commensurate with its size and nature of business operations. During the year, such controls were tested and upgraded, where necessary, and no reportable material weaknesses in their design or operation were observed.

l) **LEGAL COMPLIANCE:**

The Board has devised proper systems commensurate with the size and operations of the Company to monitor and ensure compliance of all the applicable laws and the said system is found adequate and operating effectively. The functional heads of the different departments responsible for compliance submit compliance reports to the Managing Director, based on which the Company Secretary and the Managing Director provide compliance certificate to the Board on a quarterly basis.

m) **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Your Company has been contributing in the development of the surrounding areas since its inception. The Company supports and contributes to activities relating to promotion of education, sports, medical and health care, vocational skill development and livelihood enhancement and programmes and activities relating to environment sustainability, etc. During the year 2018-2019, your Company has enhanced its CSR activities to a larger community in order to provide maximum benefit to the surrounding villages.

These CSR projects and activities are in compliance with Schedule VII of the Act.

In the field of education, your Company continued to implement Special Teaching Programme for students studying in 3rd to

## DIRECTORS' REPORT...

8th Standards on the basis of their learning level assessment. The programme has covered many students in villages of Padra Block of Vadodara district and in villages of Chhotaudepur.

Extra classes programmes were also held for students in villages of Padra Block, Vadodara for students of Classes 4 to 10.

Kalrav Bal Mela was organised at Dabhasa school wherein total 1080 students from 6 schools of Padra block and Mahuvad had participated.

Your Company has continued to provide support to Shroffs Foundation Trust (SFT) in running a fully equipped Mobile Medical Unit for providing door step medical services in the tribal area of Chhotaudepur district. With this initiative the tribal residents of Chhotaudepur have benefited and their several health issues could be attended to and resolved.

Your Company also conducted programmes focused on anaemia in Ekalbara, Mahuvad and Khanderapura villages and a good number of women were medically examined.

The Company has continued its contribution in the upgradation of training facilities at the Industrial Training Institute (ITI) at Padra and also conducted short term courses on plumbing, masonry and wiring for the inmates of the Vadodara Central Jail with a view to equipping them to earn their livelihoods in a dignified manner after their release from jail. Vadodara Central Jail association introduced Beauty Parlour Course for female inmates to equip them also to earn livelihood in a dignified manner after their release from jail.

Computer hardware repairing course was conducted for youngsters with speech disabilities at Mook Dhvani Trust (Partner NGO) to also enable them to earn livelihood.

Your Company has continued to extend monetary support for rural sanitation and cleanliness in furtherance of the objectives of Government of India's Swachh Bharat Mission.

The residents of Khanderapura village were benefited by making vermicompost beds and amrutpani units under the assistance and guidance of company's CSR team.

In addition to the CSR activities that the Company undertakes, the employees are also motivated to render social services. They have been contributing one day salary (matched by equivalent contribution by the Company) towards expenditure on social welfare activities.

A brief outline of the policy and the CSR activities carried out during the year is annexed to this report as 'Annexure - V'.

### n) PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Act read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as 'Annexure - VI' and forms part of this Report.

### o) SECRETARIAL AUDITOR AND SECRETARIAL AUDITOR'S REPORT:

Pursuant to the provisions of Section 204 of the Act and the Rules made thereunder and Regulation 24A of the SEBI LODR Regulations, the Board of Directors has appointed Shri Vijay L. Vyas, Practising Company Secretary (FCS: 1602; CP No. 13175), Vadodara, as the Secretarial Auditor of the Company to conduct Secretarial Audit for the year ended 31st March, 2019. The Secretarial Auditor has submitted his Report on Secretarial Audit conducted by him which is annexed to this report as 'Annexure - VII'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Ashwin C. Shroff, a Director and non-executive Chairman of the Company, will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Directors recommend his re-appointment.

Also on the recommendations of the Nomination and Remuneration Committee, the Board of Directors recommend to the shareholders the re-appointment of Smt. Geeta Amit Goradia, Shri Nimishbhai Upendrabhai Patel, Shri Hemantkumar Jayantiprasad Bhatt, Dr. Bernd Dill and Shri Ninad Dwarkanath Gupte, Independent Directors of the Company for further periods of five years from the conclusion of this 53rd Annual General Meeting to the conclusion of the 58th Annual General Meeting to be held in the calendar year 2024 by means of Special Resolutions.



## DIRECTORS' REPORT...

### 9. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND ACCOUNT SET UP BY GOVERNMENT OF INDIA:

During the year under review, your Company has transferred the unclaimed dividend and 6823 equity shares of the shareholders of the Company whose dividend had been lying unclaimed with the Company for a period of seven consecutive years pursuant to the introduction of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto by the Ministry of Corporate Affairs, Government of India.

The list of the said shareholders is available on the Company's website [http://www.transpek.com/unpaid\\_data.htm](http://www.transpek.com/unpaid_data.htm)

### 10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134 (3) (c) of the Act with respect to Directors' Responsibility Statement, the Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) 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
- f) 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.

### 11. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 the Act as well as under Regulation 25 of SEBI LODR Regulations.

### 12. CORPORATE GOVERNANCE:

A separate report on Corporate Governance as required under Regulation 34 of the SEBI LODR Regulations, 2015 is included in this Report along with a certificate of the Auditor confirming its compliance with the conditions of Corporate Governance stipulated under the said Regulation.

### 13. AUDITORS AND AUDITORS' REPORT:

#### a) STATUTORY AUDITORS:

The members of the Company had, at their 49th Annual General Meeting held on 21st September, 2015, appointed M/s. CNK & Associates, LLP, Chartered Accountants, Vadodara, as Statutory Auditors of the Company for a period of five years i.e. from the conclusion of the 49th Annual General Meeting upto the conclusion of the 54th Annual General Meeting to be held in the year 2020 as prescribed under Section 139 (1) and (2) of the Act and relevant rules framed thereunder.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## DIRECTORS' REPORT...

### b) COST AUDIT COMPLIANCE:

The Board has re-appointed M/s. Y.S.Thakar & Co., Cost Accountants, as the Cost Auditors for conducting cost audit of cost records of the Company for the Financial Year 2019-2020 under Section 148 (1) of the Act.

Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit Report for the financial year ended 31st March, 2018 was submitted to the Central Government on 30th August, 2018. Necessary resolution for approval of their remuneration is being proposed at the ensuing 53rd Annual General Meeting. Their Report does not contain any qualification, reservation or adverse remark or disclaimer.

### 14. DISCLOSURES:

#### a) AUDIT COMMITTEE:

Details of the composition of the Audit Committee of Directors of the Company have been mentioned in the Corporate Governance Report. During the year under review, there were no such instances wherein the Board of Directors of the Company did not accept the recommendations of the Audit Committee.

More details about all the Committees of Directors are given in the Corporate Governance Report.

#### b) MEETINGS OF THE BOARD:

During the year under review 5 (five) Board meetings were held. For further details, please refer to the Report on Corporate Governance.

#### c) VIGIL MECHANISM:

The Company has established a Vigil Mechanism and a Whistle Blower Policy to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct, details of which have been given in the Corporate Governance Report. The Whistle Blower Policy has been posted on the website of the Company and can be accessed at link –<http://www.transpek.com/pdf/whistle-blower-policy.pdf>.

### 15. CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there was no change in the nature of the business of the Company.

### 16. FIXED DEPOSITS:

During the year under review, your Company has accepted/ renewed deposits amounting to Rs.11,17,38,000/-, only from the shareholders of the Company. The deposits which matured and remained unclaimed as at 31st March, 2019 amount to Rs.4,13,000/-. The Company had sent written reminders to the Depositors for their appropriate action in this regard and as on the date of report deposits amounting to Rs.4,13,000/- only have remained unclaimed.

The Deposits and Interest which remained unclaimed for last seven years have been transferred to the Investor Education and Protection Fund as required under section 125 of the Act. The list of the depositors whose deposits and interest are transferred to IEPF is available on the Company's website [www.transpek.com](http://www.transpek.com).

During the year, there has been no default in repayment of deposits or payment of interest thereon. Also, during the year, there were no deposits accepted by the Company which did not comply with the requirements of Chapter V of the Act.

### 17. STOCK EXCHANGE:

The Company's equity shares are listed on the BSE Limited and the Listing Fees of the Company for the Financial Year 2019-2020 have been paid. The address of the said Exchange is as under:

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai – 400 001.

Scrip ID: 'transpek'; Scrip Code: 506687; Group/Index: 'X'; ISIN: INE687A01016

## DIRECTORS' REPORT...

### 18. HEALTH CARE AND WELFARE OF EMPLOYEES:

Employees' Welfare Schemes such as subsidized food in the Company's canteen at the factory, medical facilities, Group Medclaim Insurance and Group Accident Insurance continued to be maintained by the Company. Sports and Cultural activities were also given due importance. The Company has also set up a place for doing Yoga, playing Table Tennis and a Gym for the employees. Employees are also given core long-term health offering which includes making available preventive medical examinations to cover fields of prevention of mental health, fitness and nutrition. Reports show that the examinations contribute to improvement in fitness, blood pressure, nutrition habits and nicotine abstinence. Employees are also offered training programmes and workshops on health-oriented leadership. Monetary support is also given to employees who wish to acquire higher educational qualifications.

Merit awards are also given to employees' children. The Company promotes innovation, rewards for performance and provides opportunities for people to grow. In addition, your Company has put in place a range of initiatives for attracting and retaining a high performance work force. The Company also rewards exemplary performance of employees. The Company has a unique scheme of supporting widows of deceased workers where a monthly allowance is given from a fund created for this purpose.

### 19. PROTECTION OF WOMEN AT WORKPLACE:

The Company has employed a number of women in various cadres. It has put in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal committee of women employees is also set up to redress complaints received which are monitored by women supervisors who are fully aware of the Policy and redressal mechanism. All employees of the Company and those of contractors as well as trainees are covered under this Policy. No complaint was received from any employee during the financial year 2018-2019 and no complaint is outstanding as on 31st March, 2019 for redressal.

### 20. MANAGEMENT DISCUSSION AND ANALYSIS:

The report on Management Discussion and Analysis dealing with the Operations, Business Performance, etc. is given separately and it forms part of this Annual Report.

#### ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the co-operation and assistance extended to the Company by the Company's Bankers and State Government agencies. Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels towards the growth of the Company. Your Directors acknowledge with gratitude the support of the shareholders, investors, customers and suppliers for the faith reposed in the Company and its management.

BY ORDER OF THE BOARD

A. C. SHROFF

CHAIRMAN

PLACE: VADODARA

DATED: 25th June, 2019

## **ANNEXURE-I TO THE DIRECTORS' REPORT**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo under section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

### **A) CONSERVATION OF ENERGY:**

#### **(i) Steps taken for conservation of energy and for utilizing alternative sources of energy:**

1. Reduction in energy bill and in green house gases (sulphur oxide) by maximum utilisation of renewable energy source i.e. bio-coal in place of furnace oil for boiler and hot oil system.
  2. Installation of various energy efficient (IE3) motors in place of old and rewound motors for increased efficiency and energy saving.
  3. Installation of 35W LED lamps in place of 46W CFL lamps in all plants for better illumination and energy saving.
  4. Installation of 60W LED street lights in place of 104W E+ (type of light) street light fixtures for reduced maintenance and energy saving.
  5. 350 KVA Reactive Automatic Power Factor Control panel installed at Power Control Centre – 2 Electric Panels for reduction in KVA demand and improved power factor.
  6. 225 KVA Reactive capacitor installed at ACL-6 plant Power Control Centre Electric Panel to reduce distribution power losses and better overall power factor.
  7. Replaced old and leaking 150 HP KC-6 water cooled reciprocating compressor with more efficient air cooled KC-6 compressor.
  8. Cooling tower fan in ACL-6 plant is being operated on auto mode with regard to cooling water temperature to reduce running hours and save energy.
  9. ACL-1 plant brine water pipeline damaged. Cold insulation was re-done during shutdown to save thermal energy.
  10. Ceramic coating of 60 HP cooling water pump-1 at SO3 plant completed to provide better efficiency.
  11. 50 HP pump installed in place of 60 HP pump at 27% Oleum Tank to reduce its power consumption.
  12. To collect condensate from all Mild Steel Polytetrafluoroethylene jacket lines in ACL-6 plants and pump it to Boiler for heat recovery and water conservation.
  13. Motors which were operating at low capacity at ACL-6 Plant were converted from delta connection to star connection for energy saving.
- (ii) The investment in various energy conservation activities was Rs.353.00 lakhs and the estimated annual saving works out to Rs.880.00 lakhs.

### **B) TECHNOLOGY ABSORPTION:**

#### **(i) Efforts made towards technology absorption:**

The Company has been making substantial efforts in reduction of process waste and effluent. Over the years, there has been a significant reduction in the generation of wastes by adopting better process methodology at the source.

#### **(ii) Benefits derived:**

The Company has been able to derive benefits through R & D activities in manufacturing of Pharmaceutical Intermediates, new Acid Chlorides with multiple end uses, new organic chlorides with multiple uses, intermediates of personal care chemicals, etc. Also, the Company has improved process efficiency by using better catalysts.

#### **(iii) Information regarding imported technology: (Imported during last three years):**

Your Company has not imported any technology during the last three years.



## DIRECTORS' REPORT...

### C) EXPENDITURE INCURRED ON R & D:

(Rs. in Lakhs)

Particulars	Current Year (2018-2019)	Previous Year (2017-2018)
Capital	150.58	113.48
Recurring	160.78	130.52
Total	311.36	244.00
Total R&D Expenditure as a % of total turnover	0.53	2.08

### D) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakhs)

Particulars	Current Year (2018-2019)	Previous Year (2017-2018)
a) Earned by way of export of goods and claims	49544.04	25438.92
b) Used by way of Imports (Capital/Revenue)	9350.16	10856.84

## ANNEXURE-II TO THE DIRECTORS' REPORT

### Extract of the Annual Return as provided under sub-section (3) of Section 92:

Form No. MGT – 9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

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

### I. Registration and Other Details

CIN	L23205GJ1965PLC001343
Registration Date:	6th October, 1965
Name of the Company	Transpek Industry Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	6th Floor, Marble Arch, Race Course, Vadodara – 390007. Contact No: (0265) 2335444
Whether Listed Company	Yes, Listed on BSE Limited
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, B-102 & 103 Shangrila Complex, 1st Floor, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 Phone: (0265) 2356794; 2356573; Email: vadodara@linkintime.co.in; alpesh.gandhi@linkintime.co.in.

## DIRECTORS' REPORT...

### 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:-

Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
Chemicals	'20299' – Manufacture of various other chemical products n.e.c.(antiknock preparations, anti-freeze preparations, liquids for hydraulic transmission, composite diagnostic or laboratory reagents, writing or drawing ink, chemical substance used in manufacturing of pesticides and other chemical products)	100
	'20119' - Manufacture of organic and inorganic chemical compounds n.e.c.	

### III. Particulars of Holding, Subsidiary and Associate Companies

Name and Address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of shares held	Applicable section
Transpek Industry (Europe) Limited	Foreign Company	Wholly Owned Subsidiary	100	Section 2(87) read with Section 2(11)

### IV. Shareholding Pattern (Equity Share Capital Break up as a percentage of total equity)

#### i) category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	

#### A. Promoters

##### (1) Indian

(a) Individual/HUF	923894	-	923894	16.54	911291	-	911291	16.32	(0.22)
(b) Central Govt/ State Govt.	-	-	-	-	-	-	-	-	-
(c) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(d) Others (Bodies Corporate)	2364904	-	2364904	42.34	2364904	-	2364904	42.34	0.00
<b>Sub-total (A) (1)</b>	<b>3288798</b>	<b>-</b>	<b>3288798</b>	<b>58.88</b>	<b>3276195</b>	<b>-</b>	<b>3276195</b>	<b>58.66</b>	<b>(0.22)</b>

## DIRECTORS' REPORT...

### IV. Shareholding Pattern (Equity Share Capital Break up as a percentage of total equity)

#### i) category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	

#### (2) Foreign

(a) Individuals (Non Resident Individuals/ Foreign Individuals)	11710	-	11710	0.21	11710	-	11710	0.21	0.00
(b) Government	-	-	-	-	-	-	-	-	-
(C) Institutions	-	-	-	-	-	-	-	-	-
(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e) Any other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>11710</b>	<b>-</b>	<b>11710</b>	<b>0.21</b>	<b>11710</b>	<b>-</b>	<b>11710</b>	<b>0.21</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)=(A) (1) + (A)(2)</b>	<b>3300508</b>	<b>-</b>	<b>3300508</b>	<b>59.09</b>	<b>3287905</b>	<b>-</b>	<b>3287905</b>	<b>58.86</b>	<b>(0.22)</b>

#### B. Public

##### Shareholding

(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c) Alternate Investment Fund	-	-	-	-	-	-	-	-	-
(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e) Foreign Portfolio Investors	109011	-	109011	1.95	121500	-	121500	2.18	0.23
(f) Financial Institutions/Banks	1313	396	1709	0.03	1313	396	1709	0.03	0.00
(g) Insurance Companies	208415	-	208415	3.73	208415	-	208415	3.73	0.00
(h) Provident Funds /Pension Funds	-	-	-	-	-	-	-	-	-
(i) Any Other (Specify)(Bodies Corporate)	-	-	-	-	-	-	-	-	-

## DIRECTORS' REPORT...

### IV. Shareholding Pattern (Equity Share Capital Break up as a percentage of total equity)

#### i) category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>Sub-total (B) (1)</b>	<b>318739</b>	<b>396</b>	<b>319135</b>	<b>5.71</b>	<b>331228</b>	<b>396</b>	<b>331624</b>	<b>5.94</b>	<b>0.23</b>
(2) Central Govt(s) /State Govt(s) /President of India	30235	-	30235	0.54	37058	-	37058	0.66	0.12
<b>Sub-total (B)(2)</b>	<b>30235</b>	<b>-</b>	<b>30235</b>	<b>0.54</b>	<b>37058</b>	<b>-</b>	<b>37058</b>	<b>0.66</b>	<b>0.12</b>
<b>(3) Non-Institutions</b>									
<b>(a) Individuals</b>									
(i) Individuals shareholders holding nominal share capital upto Rs.2 Lakh	1025447	184869	1210316	21.67	1182096	142180	1324276	23.71	2.04
(ii) Individuals shareholders holding nominal share capital in excess of Rs.2 Lakhs	331028	0	331028	5.93	370898	0	370898	6.64	0.71
(b) NBFCs registered with RBI	-	-	-	-	50	0	50	0.00	0.00
(c) Employee Trusts	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
Any Other (others)	383847	10500	394347	7.06	226408	7350	233758	4.19	(2.87)
<b>Sub-total (B) (3)</b>	<b>1740322</b>	<b>195369</b>	<b>1935691</b>	<b>34.66</b>	<b>1779452</b>	<b>149530</b>	<b>1928982</b>	<b>34.54</b>	<b>(0.12)</b>
<b>Total Public Shareholding</b>	<b>2089296</b>	<b>195765</b>	<b>2285061</b>	<b>40.91</b>	<b>2147738</b>	<b>149926</b>	<b>2297664</b>	<b>41.14</b>	<b>0.23</b>
<b>(B) = (B) (1) + (B) (2) + (B) (3)</b>									
C. Shares held by custodian for ADR & GDR	-	-	-	-	-	-	-	-	-
<b>Grand Total A+B+C</b>	<b>5389804</b>	<b>195765</b>	<b>5585569</b>	<b>100.00</b>	<b>5435643</b>	<b>149926</b>	<b>5585569</b>	<b>100.00</b>	<b>0.00</b>



## DIRECTORS' REPORT...

### ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share-holding during the year
1	Anshul Specialty Molecules Private Limited	1376440	24.64	0.00	1376440	24.64	0.00	0.00
2	Kamaljiyot Investments Limited	702703	12.58	0.00	702703	12.58	0.00	0.00
3.	Shruti A. Shroff	305725	5.47	0.00	307225	5.50	0.00	0.03
4.	Atul G. Shroff	38117	0.68	0.00	38317	0.69	0.00	0.01
5.	Vishwa Atul Shroff	78386	1.40	0.00	78586	1.41	0.00	0.01
6.	Madison Investments Pvt. Ltd.	73193	1.31	0.00	73193	1.31	0.00	0.00
7.	Shrodip Investments Pvt. Ltd.	72000	1.29	0.00	72000	1.29	0.00	0.00
8.	UPL Limited	41150	0.74	0.00	41150	0.74	0.00	0.00
9.	Kantisen C. Shroff	40690	0.73	0.00	40690	0.73	0.00	0.00
10.	Hyderabad Chemical Products Private Ltd.	40150	0.72	0.00	40150	0.72	0.00	0.00
11.	Chetna P. Saraiya	38966	0.70	0.00	32966	0.59	0.00	(0.11)
12.	Dipesh K. Shroff	37662	0.67	0.00	37662	0.67	0.00	0.00
13.	Shalil S. Shroff	30867	0.55	0.00	30867	0.55	0.00	0.00
14.	Dipkanti Investments and Finance Pvt. Ltd.	30501	0.55	0.00	30501	0.55	0.00	0.00
15.	Pritami Investments Pvt. Ltd.	27004	0.48	0.00	27004	0.48	0.00	0.00
16.	Shaila S. Shroff	22800	0.41	0.00	22800	0.41	0.00	0.00
17.	Anshul A. Bhatia	21659	0.39	0.00	21659	0.39	0.00	0.00
18.	Dilipsinh G. Bhatia	10800	0.19	0.00	10800	0.19	0.00	0.00
19.	Hrishit A. Shroff	7086	0.13	0.00	7086	0.13	0.00	0.00
20.	Ravi A. Shroff	7086	0.13	0.00	7086	0.13	0.00	0.00
21.	Chaitanya D. Shroff	6746	0.12	0.00	6746	0.12	0.00	0.00
22.	Hiral T. Dayal	6600	0.12	0.00	3406	0.06	0.00	(0.06)

## DIRECTORS' REPORT...

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share-holding during the year
23.	Chinmayi D. Shroff	28678	0.51	0.00	28678	0.51	0.00	0.00
24.	K.C.Shroff – HUF	6050	0.11	0.00	6050	0.11	0.00	0.00
25.	Usha A. Shroff	5532	0.10	0.00	5532	0.10	0.00	0.00
26.	Tushar C. Dayal	5005	0.09	0.00	0	0.00	0.00	0.00
27.	Kirit Vidyasagar Dave	4035	0.07	0.00	4035	0.07	0.00	0.00
28.	Ashwin C. Shroff	163919	2.93	0.00	163919	2.93	0.00	0.00
29.	Praful M. Saraiya	1088	0.02	0.00	1088	0.02	0.00	0.00
30.	Vibrant Greentech India Private Limited	1663	0.03	0.00	1663	0.03	0.00	0.00
31.	Sandra R. Shroff	910	0.02	0.00	910	0.02	0.00	0.00
32.	Prakhyati Investments and Finance Pvt. Ltd.	100	0.00	0.00	100	0.00	0.00	0.00
33.	Ami Kantisen Shroff	22400	0.40	0.00	22400	0.40	0.00	0.00
34.	Krishni Dipesh Shroff	22400	0.40	0.00	22400	0.40	0.00	0.00
35.	Preeti Dipesh Shroff	22397	0.40	0.00	22397	0.40	0.00	0.00
<b>TOTAL</b>		<b>3300508</b>	<b>59.09</b>	<b>0.00</b>	<b>3287905</b>	<b>58.86</b>	<b>0.00</b>	<b>(0.23)</b>

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

Sr. No.	Name of the Promoter whose shareholding changed	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.	Shruti Atul Shroff				
	a. At the beginning of the year	305725	5.47	-	-
	b. Changes during the year				
	Date Reason				
	29/09/2018 Acquired	1500	0.03		
	c. At the end of the year	-	-	307225	5.50

## DIRECTORS' REPORT...

Sr. No.	Name of the Promoter whose shareholding changed	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
2.	Vishwa Atul Shroff				
	a. At the beginning of the year	78386	1.40	-	-
	b. changes during the year				
	Date Reason				
	12/10/2018 Acquired	200	0.01		
	c. At the end of the year	-	-	78586	1.41
3.	Atul Govindji Shroff				
	a. At the beginning of the year	38117	0.68	-	-
	b. changes during the year				
	Date Reason				
	12/10/2018 Acquired	200	0.01		
	c. At the end of the year	-	-	38317	0.69
4.	Chetna Praful Saraiya				
	a. At the beginning of the year	38966	0.70	-	-
	b. changes during the year				
	Date Reason				
	25/01/2019 Sold	(6000)	0.11		
	c. At the end of the year	-	-	32966	0.59
5.	Hiral Tushar Dayal				
	a. At the beginning of the year	6600	0.12	-	-
	b. changes during the year				
	Date Reason				
	14/09/2018 Sold	(92)	0.00		
	05/10/2018 Sold	(3406)	(0.06)		
	c. At the end of the year	-	-	3102	0.06
6.	Tushar Charandas Dayal				
	a. At the beginning of the year	5005	0.09	-	-
	b. changes during the year				
	Date Reason				
	21/09/2018 Sold	(1911)	(0.03)		
	29/09/2018 Sold	(3094)	(0.06)		
	c. At the end of the year	-	-	0	0.00

## DIRECTORS' REPORT...

### (iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Top Ten Shareholders whose shareholding changed	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.	Bharat Jayantilal Patel				
	a. At the beginning of the year	221528	3.96	-	-
	b. changes during the year				
	Date Reason				
	18/05/2018 Sold	(52000)	0.93		
	c. At the end of the year	-	-	169528	3.03
2.	Life Insurance Corporation of India				
	a. At the beginning of the year	208415	3.73	-	-
	b. changes during the year	No Change during the year			
	c. At the end of the year	-	-	208415	3.73
3.	Patel Sonal Sanjiv				
	a. At the beginning of the year	184129	3.30	-	-
	b. changes during the year				
	Date Reason				
	06/04/2018 Sold	(4480)	(0.08)	179649	3.22
	13/04/2018 Sold	(8141)	(0.15)	171508	3.07
	20/04/2018 Sold	(9669)	(0.17)	161839	2.90
	27/04/2018 Sold	(22004)	(0.39)	139835	2.50
	04/05/2018 Sold	(5677)	(0.10)	134158	2.40
	11/05/2018 Sold	(1670)	(0.03)	132488	2.37
	18/05/2018 Sold	(3460)	(0.06)	129028	2.31
	25/05/2018 Sold	(3686)	(0.07)	125342	2.24
	01/06/2018 Sold	(3207)	(0.06)	122135	2.18
	08/06/2018 Sold	(2972)	(0.05)	119163	2.13
	15/06/2018 Sold	(2834)	(0.05)	116329	2.08
	22/06/2018 Sold	(6565)	(0.12)	109764	1.96
	30/06/2018 Sold	(2885)	(0.05)	106879	1.91
	06/07/2018 Sold	(3687)	(0.07)	103192	1.84
	13/07/2018 Sold	(2021)	(0.03)	101171	1.81
	20/07/2018 Sold	(183)	(0.00)	100988	1.81
	27/07/2018 Sold	(215)	(0.01)	100773	1.80
	03/08/2018 Sold	(5625)	(0.10)	95148	1.70
	10/08/2018 Sold	(27477)	(0.49)	67671	1.21
	17/08/2018 Sold	(3853)	(0.07)	63818	1.14
	24/08/2018 Sold	(2306)	(0.04)	61512	1.10



## DIRECTORS' REPORT...

Sr. No.	Name of the Top Ten Shareholders whose shareholding changed		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
	31/08/2018	Sold	(1755)	(0.03)	59757	1.07
	07/09/2018	Sold	(4185)	(0.07)	55572	1.00
	14/09/2018	Sold	(268)	(0.01)	55304	0.99
	21/09/2018	Sold	(4227)	(0.08)	51077	0.91
	29/09/2018	Sold	(799)	(0.01)	50278	0.90
	05/10/2018	Sold	(650)	(0.01)	49628	0.89
	12/10/2018	Sold	(35)	(0.00)	49593	0.89
	19/10/2018	Sold	(1108)	(0.02)	48485	0.87
	16/11/2018	Sold	(10)	(0.00)	48475	0.87
	07/12/2018	Sold	(415)	(0.01)	48060	0.86
	14/12/2018	Sold	(211)	(0.00)	47849	0.86
	21/12/2018	Sold	(5692)	(0.11)	42157	0.75
	28/12/2018	Sold	(1827)	(0.03)	40330	0.72
	31/12/2018	Sold	(674)	(0.01)	39656	0.71
	04/01/2019	Sold	(1335)	(0.02)	38321	0.69
	11/01/2019	Sold	(5159)	(0.10)	33162	0.59
	18/01/2019	Sold	(1350)	(0.02)	31812	0.57
	25/01/2019	Sold	(1628)	(0.03)	30184	0.54
	01/02/2019	Sold	(3939)	(0.07)	26245	0.47
	08/02/2019	Sold	(13871)	(0.25)	12374	0.22
	15/02/2019	Sold	(9202)	(0.16)	3172	0.06
	01/03/2019	Sold	(3172)	(0.06)	0	0.00
	c. At the end of the year		-	-	0	0
4.	Hypnos Fund Limited					
	a. At the beginning of the year		109000	1.95	-	-
	b. changes during the year		No change during the year			
	c. At the end of the year				109000	1.95
5.	Adesh Ventures LLP					
	a. At the beginning of the year		61712	1.10	-	-
	b. changes during the year		No change during the year			
	c. At the end of the year				61712	1.10
6.	Ruchit Bharat Patel					
	a. At the beginning of the year		1751	0.03	-	-
	b. changes during the year					
	Date	Reason				
	13/04/2018	Acquired	7962	0.14	9713	0.17

## DIRECTORS' REPORT...

Sr. No.	Name of the Top Ten Shareholders whose shareholding changed		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
	20/04/2018	Acquired	2105	0.04	11818	0.21
	27/04/2018	Acquired	13760	0.25	25578	0.46
	18/05/2018	Acquired	60991	1.09	86569	1.55
	25/01/2019	Sold	(1000)	(0.02)	85569	1.53
	08/02/2019	Sold	(749)	(0.01)	84820	1.52
	15/02/2019	Sold	(3097)	(0.05)	81723	1.46
	c. At the end of the year		-	-	81723	1.46
7.	Jyotsna J. Bhatt					
	a. At the beginning of the year		49321	0.88	-	-
	b. Changes during the year		No Change during the year			
	c. At the end of the year		-	-	49321	0.88
8.	Sarah Faisal Hawa					
	a. At the beginning of the year		40111	0.72	-	-
	b. Changes during the year					
	Date	Reason				
	20/07/2018	Acquired	1779	0.03	41890	0.75
	03/08/2018	Acquired	821	0.01	42711	0.76
	10/08/2018	Acquired	2097	0.04	44808	0.80
	29/09/2018	Acquired	250	0.01	45058	0.81
	15/03/2019	Acquired	842	0.01	45900	0.82
	22/03/2019	Acquired	1397	0.03	47297	0.85
	29/03/2019	Acquired	711	0.01	48008	0.86
	c. At the end of the year		-	-	48008	0.86
9.	Investor Education Protection Fund					
	a. At the beginning of the year		30235	0.54	-	-
	b. changes during the year					
	Date	Reason				
	01/11/2018	Transfer	6823	0.12	37058	0.66
	c. At the end of the year		-	-	37058	0.66
10.	Faisal Zubair Hawa					
	a. At the beginning of the year		20068	0.36	-	-
	b. Changes during the year					
	Date	Reason				
	20/07/2018	Acquired	1000	0.02	21068	0.38
	15/03/2019	Acquired	1250	0.02	22318	0.40
	c. At the end of the year		-	-	22318	0.40

## DIRECTORS' REPORT...

Sr. No.	Name of the Top Ten Shareholders whose shareholding changed	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.	Jai Singh				
	a. At the beginning of the year	19600	0.35	-	-
	b. Changes during the year	No change during the year			
	c. At the end of the year	-	-	19600	0.35
12.	Finquest Securities Private Limited				
	a. At the beginning of the year	25394	0.45	-	-
	b. changes during the year				
	Date	Reason			
	13/04/2018	Sold	(16403)	(0.29)	8991 0.16
	18/05/2018	Sold	(8991)	(0.16)	0 0.00
	29/09/2018	Acquired	3196	0.06	3196 0.06
	05/10/2018	Sold	(3196)	(0.06)	0 0.00
	19/10/2018	Acquired	2632	0.05	2632 0.05
	26/10/2018	Sold	(2632)	(0.05)	0 0.00
	25/01/2019	Acquired	6000	0.11	6000 0.11
	08/02/2019	Sold	(4659)	(0.09)	1341 0.02
	15/02/2019	Sold	(341)	(0.00)	1000 0.02
	22/02/2019	Sold	1000	(0.02)	0 0.00
	c. At the end of the year	-	-	0	0.00

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. 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
	For Each of the Directors and Key Managerial Personnel				
1.	Shri Atul G. Shroff				
	At the beginning of the year	38117	0.68	-	-
	Changes during the year				
	Date	Reason			
	12/10/2018	Acquired	200	0.00	
	At the end of the year	-	-	38317	0.68

## DIRECTORS' REPORT...

Sr. No.	For Each of the Directors and Key Managerial Personnel	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
2.	Shri Ashwin C. Shroff				
	At the beginning of the year	163919	2.93	-	-
	Date wise Increase/ Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year	-	-	163919	2.93
3.	Shri Dipesh K. Shroff				
	At the beginning of the year	37662	0.67	-	-
	Date wise Increase/ Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year -	-	37662	0.67	
4.	Shri Ravi A. Shroff	7086	0.13	-	-
	Date wise Increase/ Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year	-	-	7086	0.13
5.	Shri Ninad D. Gupte	106	0.00	-	-
	Date wise Increase/ Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year	-	-	106	0.00
6.	Shri Alak D. Vyas	01	0.00	-	-
	Date wise Increase/ Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year	-	-	01	0.00
7.	Shri Pratik P. Shah	01	0.00	-	-
	Date wise Increase/ Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year	-	-	01	0.00

## DIRECTORS' REPORT...

### V. Indebtedness

Indebtedness of the Company including outstanding/accrued but not due for payment (Rs.in Lakhs)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	7617.96	1410.00	2841.66	11869.62
(ii) Int. due but not paid	-	-	-	-
(iii) Int. accrued but not due	-	-	128.25	128.25
<b>Total (i + ii+ iii)</b>	<b>7617.96</b>	<b>1410.00</b>	<b>2969.91</b>	<b>11997.87</b>
Change in the Indebtedness during the financial year				
• Addition	-	500.00	641.90	1141.90
• Reduction	1977.10	1560.00	214.79	3751.89
<b>Net Change</b>	<b>(1977.10)</b>	<b>(1060.00)</b>	<b>427.11</b>	<b>(2609.99)</b>
Indebtedness at the end of the financial year				
(i) Principal Amount	5640.86	350.00	3268.77	9259.63
(ii) Int. due but not paid	-	-	-	-
(iii) Int. accrued but not due	-	-	203.36	203.36
<b>Total (i + ii+ iii)</b>	<b>5640.86</b>	<b>350.00</b>	<b>3472.13</b>	<b>9462.99</b>

### VI. Remuneration of Directors and Key Managerial Personnel for FY 2017-2018:

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Bimal V. Mehta – Managing Director	Total Amount (in Rs.)
1.	Gross Salary		
(a)	Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	1,37,60,000	1,37,60,000
(b)	Value of Perquisites u/s. 17(2) of the Income-tax Act, 1961	9,71,600	9,71,600
(c)	Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Performance Incentive / Commission *		
-	as % of profit		
-	others, specify	1,05,23,000	1,05,23,000
5.	Others, please specify	-	-
	Total (A)	2,52,54,600	2,52,54,600
	Ceiling as per the Act	Rs.5,26,15,000/- (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.)	



## DIRECTORS' REPORT...

\* Payable upon adoption of the Audited Financial Statements for the year ended 31st March, 2019 by the members of the Company at the Annual General Meeting scheduled to be held on 9th August, 2019.

Note: The remuneration of Managing Director in the above table has been calculated as per Section 17(1) of the Income-tax Act, 1961. As a result, the figures representing Remuneration paid/payable to them as per Sections 2(78) and 197 and Schedule – V of the Companies Act, 2013, mentioned elsewhere in this Report differ.

### B. Remuneration to other Directors for FY 2018-2019:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (in Rs.)
Independent Directors							
		Shri Ninad Gupte	Dr. Bernd Dill	Shri Nimish Patel	Smt. Geeta Goradia	Shri Hemant Bhatt	
	Fees for attending Board/ Committee Meetings	1,40,000	1,20,000	3,70,000	1,00,000	3,10,000	10,40,000
	Commission *	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	50,00,000
	Others, please specify	-	-	-	-	-	-
	Total (1)	11,40,000	11,20,000	13,70,000	11,00,000	13,10,000	60,40,000
Non-Independent Directors							
		Shri Atul G. Shroff	Shri Ashwin Shroff	Shri Dipesh Shroff	Shri Ravi Shroff		
	Fees for attending Board/ Committee Meetings	2,50,000	1,00,000	2,80,000	80,000		7,10,000
	Commission *	10,00,000	10,00,000	10,00,000	10,00,000		40,00,000
	Others, please specify	-	-	-	-		-
	Total (2)	12,50,000	11,00,000	12,80,000	10,80,000		47,10,000
Total (B) = Total (1) + (2)							
Total Managerial Remuneration					1,07,50,000		
					(Rs.17,50,000 excluding fees for attending meetings)		
Ceiling as per the Act - Rs.1,05,23,000/- excluding fees for attending meetings. (being 1% of the Net Profits of the Company.)							

\* Payable upon adoption of the Audited Financial Statements for the year ended 31st March, 2019 by the members of the Company at the Annual General Meeting scheduled to be held on 9th August, 2019.

## DIRECTORS' REPORT...

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD for FY 2018-19 (In Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	Chief Financial Officer	Total
1	Gross Salary	Not Applicable			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax, Act, 1961		10,89,050	30,53,249	41,42,299
	(b) Value of Perquisites u/s. 17 (2) Income-tax Act, 1961	Not Applicable	-	1,18,092	1,18,092
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	Not Applicable	-	-	-
2	Stock Option	Not Applicable	-	-	-
3	Sweat Equity	Not Applicable	-	-	-
4	Commission - as % of profit - others, specify	Not Applicable	-	-	-
5	Others, please specify	Not Applicable	-	-	-
	<b>Total</b>	<b>Not Applicable</b>	<b>10,89,050</b>	<b>31,71,341</b>	<b>42,60,391</b>

### VII. Penalties/Punishment/Compounding of Offences:

There was no penalty or punishment inflicted upon the Company or its Directors and KMPs.

Type	Section of the Companies Act	Brief Description Compounding fees imposed	Details of Penalty/ Punishment/	Authority [RD/NCLT / Court]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment			-----NIL-----		
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment			-----NIL-----		
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment			-----NIL-----		
Compounding					

## DIRECTORS' REPORT...

### ANNEXURE – III TO THE DIRECTORS' REPORT:

#### Policy for Remuneration to Directors, Key Managerial Personnel and Senior Management and Other Employees.

##### Preamble

This policy is made to define criteria and methodology for determining remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and other employees.

##### Definitions

For the purpose of this policy the meaning of the terms 'Directors' and 'Key Managerial Personnel' shall be as defined in the Companies Act, 2013 and the terms 'Senior Management Personnel' and 'Other Employees' shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole-time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

The remuneration shall include salary, perquisites, commission, incentives and any other benefits.

##### Guiding Principle

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other employees.

##### Determination of Remuneration

The Committee will determine individual remuneration packages for Directors, KMPs and Senior Management Personnel of the Company taking into account factors it deems relevant, including but not limited to market conditions, business performance, practices in comparable companies, having due regard to the financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

The remuneration shall be linked to performance and will comprise of Fixed Pay and Incentive.

Fixed remuneration shall be competitive and based on the individual's responsibilities and performance.

The Committee may recommend fixed salary as well as variable salary, which may be calculated as a percentage of profits and may also have an overall ceiling limit for total variable salary payable to the individual.

The Committee may, at its sole discretion, conduct Remuneration Surveys in order to determine appropriate amount of remuneration for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

The Committee shall give due consideration to the views and recommendations of the Managing Director in determining the remuneration payable to Key Managerial Personnel and Senior Management Personnel.

##### Stock Options:

The Company may offer Stock Options to whole-time Directors and employees.

The Committee shall be responsible to formulate, implement and monitor the scheme of Stock Options.

##### Remuneration of Other Employees:

For deciding the remuneration of other employees the management of the Company shall broadly consider the factors it deems relevant, including but not limited to the nature of work, responsibilities, relevant educational qualifications, length and type/quality of experience required, availability of such personnel, need of the Company, cost to the Company, financial and commercial health of the Company, practices followed in other comparable companies, market conditions, applicable laws, industrial conditions etc.

##### GENERAL:

##### Deviations from this policy:

Deviations on elements of this policy will be made in extraordinary circumstances, or when deemed necessary in the interests of the Company, or if there are specific reasons to do so in an individual case.

## DIRECTORS' REPORT...

### Disclosure in the Board's Report under Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Director's Name	Ratio to median Remuneration
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-2019		
		Shri Ashwin C. Shroff	2.75:1
		Shri Bimal V. Mehta	66.17:1
		Shri Atul G. Shroff	3.12:1
		Shri Dipesh K. Shroff	3.20:1
		Shri Ravi A. Shroff	2.70:1
		Shri Ninad D. Gupte	2.85:1
		Dr. Bernd Dill	2.80:1
		Shri Nimish U. Patel	3.42:1
		Smt. Geeta A. Goradia	2.75:1
		Shri Hemant J. Bhatt	3.27:1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2018-2019	Directors/CFO/CEO/CS/ Manager Name	% increase in Remuneration
		Shri Ashwin C. Shroff, Chairman	57.14%
		Shri Bimal V. Mehta, Managing Director	42.39%
		Shri Atul G. Shroff, Director	-90.51% *
		Shri Dipesh K. Shroff, Director	39.13%
		Shri Ravi A. Shroff, Director	71.43%
		Shri Ninad D. Gupte, Independent Director	10.68%
		Dr. Bernd Dill, Independent Director	80.65%
		Shri Nimish U. Patel, Independent Director	42.71%
		Smt. Geeta A. Goradia, Independent Director	30.95%
		Shri Hemant J. Bhatt, Independent Director	35.05%
		Shri Alak D. Vyas, Company Secretary & Compliance Officer	54.83%

## DIRECTORS' REPORT...

	Shri Pratik P. Shah, Chief Financial Officer	7.81%
(iii) Percentage increase in the median remuneration of employees in the financial year 2018-2019		12.09%
(iv) Number of permanent employees on the rolls of the Company	As on 31.03.2019	As on 31.03.2018
	585	585
(v) Average percentile increase in the salaries of employees other than Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration.	The average increase in employees' salary during the year 2018-2019 is 12.09% and the average increase in managerial remuneration is 42.39%.	
Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The Profit Before Tax for the year ended 31.03.2019 increased by 189.27%. Normal industry standards are followed for increase in Managerial Remuneration.	

\* Shri Atul G. Shroff ceased to be the Managing Director of the Company w.e.f. 01.12.2017. Thereafter his "Remuneration" consists only of sitting fees and profit based commission for the year 2018-2019.

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

### **'ANNEXURE – IV' - TO THE DIRECTORS' REPORT**

#### **Form No. AOC-2**

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

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

1. **Details of Contracts or arrangements or transactions not at arm's length basis:**

Not Applicable. There were no contracts or arrangements or transactions not on arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Not Applicable. There were no material contracts or arrangements or transactions.

### **'Annexure – V' – TO THE DIRECTORS' REPORT**

#### **Annual Report on Corporate Social Responsibilities (CSR) Activities:**

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

CSR policy is stated herein below.

Web-link: <http://www.transpek.com/pdf/csr-policy.pdf>

2. The composition of the CSR Committee:

- a. Smt. Geeta A. Goradia : Independent Director & Chairperson of the Committee
- b. Shri Dipesh K. Shroff : Promoter, Non-executive Director
- c. Shri Atul G. Shroff : Promoter, Non-executive Director
- d. Shri Nimish U. Patel : Independent Director



## DIRECTORS' REPORT...

3. Average net profit of the Company for last three financial years: Rs.4222.11 Lakhs.
4. Prescribed amount of CSR Expenditure (2%) of the amount mentioned in item 3 above: Rs. 84.44 Lakhs
5. Details of amount spent on CSR during the financial year:
  - a. Total amount required to be spent for the financial year : Rs.84.44 Lakhs; Total Amount Spent : - Rs.101.33 Lakhs
  - b. Amount unspent, if any: Rs. NIL
  - c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr.No.	CSR project or activity identified.	Sector in which the Project is covered (clause no. of Schedule VII of Co. Act, 2013 as amended.)	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount of outlay (budget) project- or programme-wise (Amt. in Rs.)	Amount spent on the projects or programmes Sub-heads: (1)Direct expenditure on projects or programmes. (2) Overheads. (Amt. in Rs.)	Cumulative expenditure upto the reporting period. i.e. FY 2018-2019 (Amt. in Rs.)	Amount spent: Direct or through implementing agency
1.	Amount spent towards health awareness programme and sanitation facilities	Cl.(i) promoting health care including preventive health care and sanitation	(i) Chhotaudepur, Gujarat and (ii) Vadodara, Gujarat	44,27,000	55,75,492	55,75,492	Directly spent by the Company as well as through Shroffs Foundation Trust, Implementing Agency of the Company
2.	Amount spent towards Youth Development, Kalrav, Vocational Training, Education programme, educational facilities provided to Primary Schools, livelihood enhancement projects	Cl.(ii) Promoting Education and livelihood enhancement projects	Vadodara, Gujarat	26,16,000	16,83,632	16,83,632	Directly spent by the Company as well as through Shroffs Foundation Trust and Sahaj, Implementing Agencies of the Company.

## DIRECTORS' REPORT...

3.	Amount spent for Women Empowerment	Cl.(iii) empowering women	Vadodara, Gujarat	1,12,500	38,025	38,025	Directly spent by the Company
4.	Amount spent on sustainable environment	Cl.(iv) ensuring environmental sustainability	Vadodara, Gujarat	20,00,000	28,36,000	28,36,000	Directly spent by the Company as well as through Shroffs Foundation Trust, Implementing Agency of the Company
<b>Total CSR expenses incurred</b>				<b>91,55,500</b>	<b>1,01,33,149</b>	<b>1,01,33,149</b>	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: **Not Applicable.**
7. Responsibility statement of the CSR Committee regarding the implementation and monitoring of CSR policy.

### RESPONSIBILITY STATEMENT:

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.'

Sd/-  
**Bimal V. Mehta**  
Managing Director  
Date: -25th June, 2019

Sd/-  
**Geeta A. Goradia**  
Chairperson of the CSR Committee

### Corporate Social Responsibility Policy

#### Introduction:

Transpek Industry Limited ("TIL"), a part of Shroff Group of organizations and a listed company, engaged in the development and manufacturing of chemical products, has been serving the community towards improving the quality of life of all its stakeholders since its inception, much before the legal framework of CSR was announced by the Govt. of India through the Companies Act, 2013 ('the Act').

#### Philosophy:

TIL recognizes that business enterprises are the vital instruments of an economy and contribute significantly towards the well-being of the nation. TIL believes that the success of a company is measured not only in terms of financial results but also in terms of its commitment and contribution towards social and environmental performance which can generate multiplier impact towards enhancing societal sustainability and foster inclusive and equitable growth.

## DIRECTORS' REPORT...

TIL's CSR strategy is a holistic, long term strategy that aligns with the group's core values of "Customer Focus", "Innovation", "Passion to Win" and "Fair play" for all stakeholders. This entails understanding the needs of communities, addressing them through need-based projects and making them work together to help create game changing development for sustainable growth.

### Vision:

To actively contribute towards creating innovative and sustainable solutions in the fields of health, education, vocational training and skill building and in doing so, build a better sustainable way of life for the weaker sections of the society.

### Objectives:

1. Transpek will make significant contribution in improving quality of education by establishing innovative models in under-served schools in the State of Gujarat.
2. Transpek will encourage/nurture development of human capital by providing inclusive and vocational education through demonstrated models of excellence in technical training and skill building to help enhance the employability of aspiring students.
3. Transpek will drive measurable improvements in health and hygiene standards in communities in which it operates by supporting primary healthcare initiatives.

### CSR Policy:

1. TIL is committed to manage its business with integrity, align business values with operations seeking to enrich the society in which it operates.
2. To undertake CSR programmes which largely fall within the State of Gujarat.
3. To engage in vocational training and skill building to enhance employability and help create livelihood for the society.
4. To provide preventive healthcare, sanitation and drinking water for the disadvantaged sections of the society and help improve their health and hygiene standards.
5. To promote awareness towards "Safety" and "Environment" while working closely with the communities.
6. To develop the required capability and self-reliance of women at the grass root level, enable empowerment and provide opportunities to promote gender equality.
7. To promote collaborative partnership with government authorities, village panchayats, NGO's and industry associations in order to have a multiplier impact. TIL will also be responsible in times of natural calamities and disasters.
8. To ensure an increased commitment at all levels in the organization and operate its business in an economically, socially and environmentally sustainable manner while recognizing the interests of all its stakeholders.

### Governance Structure:

The governance structure for driving TIL's CSR Policy will incorporate the requirements under the law and also take into account the optimal structure required for maximizing impact. The CSR policy will be in compliance with the provisions of Companies (Corporate Social Responsibility) Rules, 2014 read with Section 135 and Schedule VII of the Companies Act, 2013 ('CSR Regulations').

### Governance:

The Board will set up a committee of Directors known as 'Corporate Social Responsibility Committee' ("CSR Committee") which will be a responsible body for formulating policy and driving the strategy to fulfil its objectives.

TIL will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and CSR Regulations. The CSR Committee may assign the task of implementation of the specified CSR Plan/project/programmes within

## DIRECTORS' REPORT...

specified budgets and timeframes to such trust, society or company (established under section 25 of the Companies Act, 1956 or under section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate Company of such other Company, or otherwise) which would execute the said CSR Plan/ project/ programmes.

In case of programme execution by NGO's/Voluntary organizations, the following minimum criteria would need to be ensured:

1. The NGO / Agency has a permanent office/address in India, preferably in Gujarat.
2. The NGO is a professionally managed registered society under Societies Registration Act or a non-profit entity under Section 25 of the Companies Act, 1956 / Section 8 of the Companies Act, 2013 or a Trust registered under the laws applicable to charitable trusts and has an established track record of minimum three years in undertaking similar programmes or projects.
3. Possesses a valid Income Tax Exemption Certificate;
4. The NGO shall execute/implement the Company's specified CSR Plan/project/programmes within specified budgets with modalities of utilization of funds, timeframes and monitoring and reporting mechanism;
5. The capacity building expenditure including administrative overheads shall not exceed five percent of the total CSR expenditure of the Company;
6. The antecedents of the NGO/ Agency are verifiable/subject to confirmation.
7. The Company can collaborate with any Private or Public Company incorporated under the Companies Act, 1956 or Companies Act, 2013 as may be permissible under the CSR Regulations for carrying out CSR activities.

The CSR Committee/Board of the Company will approve flagship programmes, periodically monitor the progress of activities and review strategy.

Ethical business is given priority at Transpek. We strictly follow and practise the principle of accountability, honesty and integrity in all aspects of our business and diligently comply with all applicable laws and regulations. We are additionally committed to provide equal opportunities in all respects of employment and will not engage in workplace conduct that can be construed as discrimination, intimidation and harassment.

### 'ANNEXURE – VI' - TO THE DIRECTORS' REPORT:

#### Particulars of Employees pursuant to Section 134(3)(g) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name of the Employee	Age (Yrs.)	Designation/ Nature of Duties	Qualification	Total Experience (Yrs.)	Remuneration paid/payable (Rs. in Lakhs)	Date of commencement of employment	Last employment
Bimal V. Mehta	53	Managing Director	Chartered Accountant	31	265.09	09/04/2010	Nibbana Limited
Radhakrushna B. Shetty	58	Sr. VP (Technical)	Diploma in Mechanical Engineering	33	45.27	07/07/1988	Meher (P) Ltd.
Pratik P. Shah	40	VP (Finance) & CFO	Chartered Accountant	19	34.50	01/06/2017	Diamond Power Infrastructure Limited

## DIRECTORS' REPORT...

Name of the Employee	Age (Yrs.)	Designation/ Nature of Duties	Qualification	Total Experience (Yrs.)	Remuneration paid/payable (Rs. in Lakhs)	Date of commencement of employment	Last employment
Vipul P. Parikh	48	GM	Bachelors in Mechanical Engineering	27	33.48	05/11/2018	Sun Pharmaceutical Industrial Limited
Ashish B. Pathak	49	VP (Strategy & Business Development)	MBA (Marketing)	27	32.75	10/10/2016	Fortius Precision Engg. Pvt. Ltd.
Sharad R. Patil	55	VP (Marketing)	Diploma in Mechanical Engineering	37	31.50	04/01/1993	L&T Construction Group
Ashok G. Jadeja	53	VP (MM)	B.Com.	29	28.80	01/11/1990	-
Mandar S. Prabhune	50	DGM(Bio-Lab)	M.Sc (EST)	29	26.82	08/11/1994	Excel Industries Ltd.
Hemant B. Shah	46	GM (Project, Planning & Control)	BE (Chemical), PGDBM, IEM	22	25.38	02/10/2015	Atul Limited
Jigar N. Shah	48	DGM (HRM)	B.Com, LLB, DLP, IRPM	26	23.85	14/09/2010	Anupam Industries Limited

### NOTES:

- 1) The nature of employment of the Managing Director is contractual for a period of five years.
- 2) Remuneration mentioned above includes Salary, Perquisites, Provident Fund, Superannuation Fund, Gratuity and Commission payable in the case of Shri Bimal V. Mehta.
- 3) The Commission/ payable to Shri Bimal V. Mehta is as per his terms of appointment.
- 4) None of the employees is relative of any of the Directors of the Company.



## DIRECTORS' REPORT...

### ANNEXURE – VII' - TO THE DIRECTORS' REPORT:

27th May, 2019

To,  
**Transpek Industry Limited**  
Marble Arch, Race Course,  
Vadodara 390007, Gujarat

My report of even date is to be read along with this letter –

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

Thanking you,  
Yours faithfully,  
**CS VIJAY L VYAS**  
**COMPANY SECRETARY IN PRACTICE**  
**FCS: 1602 : CP: 13175**

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## DIRECTORS' REPORT...

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR - 3

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

27th May, 2019

To,  
The Members,  
TRANSPEK INDUSTRY LIMITED  
VADODARA 390 007

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

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

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable, as the Company did not issue any security during the financial year under review;**

## DIRECTORS' REPORT...

- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2015; - **Not applicable, as the Company has not granted any Options to its employees during the financial year under review;**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable, as the Company did not issue or listed any debt securities during the financial year under review;**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- (h) **The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable, as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Environment Protection Act, 1986 and other environmental laws;
- (vii) Explosives Act, 1864;
- (viii) Factories Act, 1948; and
- (ix) Public Liability Insurance Act, 1991;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

### I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including woman Director. During the period under review the changes in the composition of the Board of Directors were carried out in compliance with the provisions of the Act;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Urgent business, if any, is considered at a shorter notice with the consent of the Directors present including Independent Director.

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

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. I have relied on the representations made by the Company and its officers in respect of the systems and processes and mechanism formed for compliances under the laws at (vi) to (ix) above and other applicable laws. The shares registered in the name of notified persons were inadvertently transferred to IEPF Authority and Company has requested IEPF Authority/CDSL for process to reverse the said transfer.

## DIRECTORS' REPORT...

**I further report that** during the audit period, there were no instances of:

- i) Public / Rights / Preferential issue of shares / debentures / sweat equity;
- ii) Merger / amalgamation / reconstruction etc.;
- iii) Foreign technical collaborations.

**I further report that** during the FY 2018-19, there was no resolution passed by the members by Postal Ballot.

**CS VIJAY L VYAS**  
**COMPANY SECRETARY IN PRACTICE**  
FCS No.: 1602; C P No.: 13175

Place: VADODARA  
Date: 27th May, 2019

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### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report includes discussion on the following matters within the limits set by the Company's competitive position:

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is a leading global supplier for chlorinated products to various industry sectors ranging from Pharmaceuticals, Agrochemicals, Flavours & Fragrances, dyes to pigments.

The Company has an excellent experience in manufacturing of products using chlorinated chemistry presenting unending opportunities for supply of intermediates and specialty chemicals suitable for multiple applications.

The constant pressure on Chinese chemical manufacturers continues to provide an excellent growth opportunity for the Indian Chemical sector.

The Company successfully maintains excellent business relations with all its global and domestic customers and supplies large quantities of Acid and Alkyl Chlorides.

Your Company makes continuous efforts for achieving sustainable growth by providing a safe working environment to its employees, protecting the environment and development of areas in its vicinity.

The Company is poised to capture the growth potential expected at present and in near future.

#### OUTLOOK FOR THE INDUSTRY:

The overall outlook for the Indian Chemical sector continues to remain positive on the backdrop of increasing global demand and state of Chinese chemical manufacturers remaining unchanged. Global chemical companies are exploring the opportunities of making strategic alliances/partnerships and investments with Indian Chemical Companies. The demand for Raw Materials and Intermediates is on the rise. Further support from the government will help in capturing the available growth potential on offer.

With the given opportunities available to the Indian Chemical Industries it is imperative to make technological upgradations with strong focus on safety, process safety and environment protection.

## DIRECTORS' REPORT...

Your Company has robust, efficient & effective safety & environment protection practices in place. This, combined with very strong relationships with customers, has enabled the company to successfully achieve the desired levels of production committed as part of its long term agreement and further stabilize and consolidate its supplies.

### **POLYMERS AND SPECIALITY PLASTICS AND PERFORMANCE MATERIALS:**

This is one of the fastest growing sectors globally with continuous innovation and focus to replace metals with strong, high strength and light weight polymers. The global market shall continue to grow for years to come for these types of polymers. Your company manufactures multiple products that are supplied to many such global companies manufacturing Polymers and Specialty Plastics. The Company has significantly increased its volumes in the current financial year under the long term agreement. The company has achieved the desired capacity and stabilized its operations under the contract. The volumes are likely to remain stable in the near and long term.

### **PHARMA PRODUCTS:**

The company has maintained steady supply in this segment over the past one year. There is growth potential presented by the sector; however due to limitation of production capacities and hindrances in getting additional permission, the Company has not been able to capture the possible opportunities. In spite of this, your Company has remained the number one choice for its customers due to its product quality and strong business relationships over many years.

### **AGROCHEMICALS:**

The company continues to maintain steady supply in the agrochemical segment. The overall agrochemical sector has seen an expansion, however, the given segment continues to remain extremely price sensitive. Considering the nature of this segment, the Company has strategically decided to focus more on other business segments.

### **FLAVOURS AND FRAGRANCES:**

The Company continues to supply limited volumes in this particular segment. The Company plans to develop more products and expects growth over the long run.

### **OPPORTUNITIES AND THREATS:**

#### **Opportunities:**

The company has been able to establish its presence as a leading acid chloride manufacturer amongst global chemical giants. Your Company has successfully delivered the commitments under the long term agreement with its business partner. With such performance, your Company has been able to enhance its reputation and build confidence amongst its international customers which should help in achieving further growth using similar business model.

There are significant opportunities to grow further in acid and alkyl chloride market for various applications in the domestic as well as international market for which the Company has already started taking actions.

#### **Threats:**

The constant stringency in environmental laws and regulations requires continuous focus of management of the Company. There are continuous changes to the environmental requirements and the authorities' sudden unilateral decision for stopping the permission for expansion etc, may present big hindrances to future expansion and growth.



## DIRECTORS' REPORT...

Your Company has been successfully complying with the changing regulations by upgrading and improving its policies and practices however this leads to significant cost and consumes significant management time of the Company.

### **RISKS AND CONCERNS:**

Given the nature of current business and global risk scenario, risk assessment and mitigation have become very critical. With possible threats from trade wars, changing geo-political situations, regulatory requirements and other uncertainties, businesses are at a constant risk. It is becoming more important than ever to have a strong risk management policy and continuous risk assessment of the overall business. The company has a well established Risk Management Policy and process which is constantly reviewed by the Board of Directors. It helps in eliminating maximum possible risks to the business.

Considering the hazardous nature of products the company manufactures, it makes all efforts to ensure safety of people, plant and environment and surrounding population as well as provides to people systematic trainings and personal protective equipments. Potential for accident, even if rare, can adversely impact the business of the Company. To minimize dependence on human action (which may be erroneous), your Company has embarked upon a programme of automation especially for preventing accidents and environmental damage.

### **SEGMENT WISE PERFORMANCE:**

The Company has only one business segment, namely "Chemicals". The information in respect of secondary segment as per the Indian Accounting Standard (IAS-108) "Segment Reporting" issued by the Institute of Chartered Accountants of India is given under Note No.41 in the Notes forming part of the Consolidated Financial Statements.

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

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. The internal control systems are supplemented through an extensive internal audit programme and periodic review by management.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The net sale of the Company for the year under review is Rs.59233.41 Lakhs as compared to Rs.35909.12 Lakhs in the previous year, an increase of 64.95%. During the financial year 2018-2019, the Company registered net profit of Rs.6573.70 Lakhs as against net profit of Rs. 2640.29 Lakhs in the previous year.

### **HUMAN RESOURCES:**

Your Company has put in place adequate measures for recruiting talented and skilled manpower to continue its growth in future endeavours.

Effective human resource policies combined with company's work culture helps the employees to showcase their talent which in turn helps the company to achieve its desired goals as well as it helps the employees gain monetary rewards and receive notable recognition for their performance.

Performance of the employees in the organisation is monitored through a systematic performance appraisal programme. Also, employees are regularly given feedbacks and suggestions for the work done which ultimately helps them in improving their performance.

## DIRECTORS' REPORT...

During the year under review, the company recruited several personnel in different cadres, depending on the requirement of the organisation.

The Company creates an environment where changes are welcomed and adapted and employees are motivated to take new initiatives within the organisation.

A special meeting of all the female employees is conducted every month wherein all female employees share and discuss problems, if any, faced by them during the course of their employment. Issues/grievances, discussed in the meeting are directly presented to the Managing Director and accordingly actions are taken/suggested.

Besides this, various informative and interactive sessions are also arranged through this meeting like guidance on Time Management, Emotion Management, Soft skills, Maternity Benefits, Sexual Harassment awareness etc.

Apart from training and development, the Company also provides facilities such as gymnasium, table tennis court and yoga and meditation room to its employees at its registered office for their well-being.

Your Company has put in place an excellent initiative for teaching science of happiness to its employees. Several tokens consisting of three colours viz. Green (Happy mood), Yellow (Neutral mood) and Red (Unhappy mood) are kept in a bowl. Employees before and after their office timings, have to put a token in the box. This initiative has helped employees to know their state of happiness, to improve the feeling of being happy and understand what is real happiness as per their mood at that time.

A graphical analysis of the tokens placed in the bowl by its employees is conducted every week and based on the analysis, the Managing Director of the Company personally conducts a meeting with the employees and they are being constantly made aware of striving for their happiness and well being.

### **COMMUNITY ENGAGEMENT AND ENVIRONMENT MANAGEMENT:**

The Company strongly believes that organisations and businesses can play a significant role in creating a sustainable and inclusive future for its stakeholders. It believes in a cohesive, inclusive and integrated society in which all individuals have access to opportunities for personal and economic growth. For several decades, the Company has consistently demonstrated its concern for the community (both internal and external) and a respect for its environment and the local ecology. It has been associated with a scalable, sustainable and integrated development of communities in and around its location at Ekalbara in District Vadodara.

Sustainability concerns are an integral part of the Company's value system. Over the years, the Company has embedded these values into its operations in a variety of ways, such as promoting rural development, undertaking and establishing programmes and processes for greening and conservation and promotion of volunteerism within the organization.

An integrated approach is adopted towards development, wherein creating social capital within the communities that it serves is given prime importance. People participation is vital to the success of the programmes and it forms the basis of all the projects.

### **TRAINING PERFORMANCE:**

To develop the skills and instil behavioural and personality development traits in all supervisory staff and managerial cadre, the Company organized a number of training programmes during the year. These training programmes are identified through the Performance Management System by synchronizing organizational needs with individual needs. In these diverse programmes, 14040 man-hours of training was imparted to employees. The company conducts hundreds of training program every year on safety.

Apart from in-house training programmes, employees were also nominated for attending external training programmes on subjects of importance for business and area of responsibility.

## DIRECTORS' REPORT...

### INDUSTRIAL RELATIONS

Industrial peace and harmony based on healthy employee relations have continued throughout the year. The Management and the Union of employees enjoy a very cordial and mutually respectful relationship. The grievances/issues raised by the employees/Union were given due attention. The issues brought up by them were settled through regular meetings and interactions between the Management and the Union and action as mutually agreed was taken to settle them.

### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Sr. No.	Financial Ratio	As at 31st March, 2018	As at 31st March, 2019	Explanation in case of change of 25% or more
1.	Debtors Turnover (no. of days)	94.34	57.59	There is a substantial increase in Turnover and Profitability which has led to increase in the key financial ratios over the previous year.
2.	Inventory Turnover (no. of days)	38.36	30.51	
3.	Interest Coverage (no. of times)	3.98	6.34	
4.	Current Ratio (no. of times)	1.1	1.12	
5.	Debt Equity Ratio	1.31:56	0.61:1	
6.	Operating Profit Margin (%)	12.18	19.42	
7.	Net Profit Margin (%)	7.16	11.06	
8.	Return on Networth (%)	19.28	33.42	

### CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Government regulations and tax structure, economic and political developments within India and the countries with which the Company has business and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

## DIRECTORS' REPORT...

### Independent Auditors Certificate on Certificate on Corporate Governance

To  
The Members,  
Transpek Industry Limited

1. We, CNK & Associates, LLP Chartered Accountants, the Statutory Auditors of Transpek Industry Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For CNK & Associates, LLP  
Chartered Accountants  
FRN No. : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Membership No. 37391  
Place: Vadodara  
Date: 27th May, 2019

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019, in terms of Regulation 34 read with Schedule – V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is interwoven in the ethical governance practices followed by the Company commensurate with its size, complexity, international operations and traditional ethical values. We believe that success and sustainability can be achieved only with the highest standards of corporate conduct towards all stakeholders – employees, shareholders, consumers and the community at large – by following the principles of accountability, integrity and responsibility in dealings with them.

The Company has complied with all the requirements of Corporate Governance in terms of Clause-C of Schedule-V of the Listing Regulations and the best practices are followed to achieve its goals on Corporate Governance.

### 2. BOARD OF DIRECTORS:

#### (a, b & c) Composition and attendance of Directors at the meetings of the Board and at Annual General Meeting and their other Directorships etc.:

The Chairman of the Board is a promoter–non-executive Director. Five of the nine non-executive Directors are Independent Directors as defined in Regulation 16 (1) (b) of the Listing Regulations and Section 149 (6) of the Companies Act, 2013.

The composition and categories of Directors on the Board during the period 1st April, 2018 to 31st March, 2019 and details about meetings of the Board and various Committees held and attended by them, attendance in last AGM, directorships in other companies, Chairmanship/Membership in Committees of other companies, and web link where details of familiarisation programmes imparted to Independent Directors are given in the following table.

Sr. No.	Name of Director	Category of Directorship*	Number of Board Meetings (April, 2018 to March, 2019)		Attendance in last AGM held on 7th August, 2018	No. of other Directorships held as at 31st March, 2019**	No. of Board Committee positions held as at 31st March, 2019 (including Transpek Industry Limited)	
			Held	Attended			Chairman	Member
1.	Shri Ashwin C. Shroff	PD/NED	5	5	Present	8	1	-
2.	Shri Atul G. Shroff	PD/NED	5	5	Present	4	1	2
3.	Shri Bimal V. Mehta	NPD/ MD	5	5	Present	1	-	1
4.	Shri Dipesh K. Shroff	PD/NED	5	5	Present	14	-	3
5.	Shri Ravi A. Shroff	PD/NED	5	4	Present	10	-	3
6.	Dr. Bernd Dill	NED/ID	5	5	Present	1	-	-
7.	Shri Ninad D. Gupte	NED/ID	5	3	Present	1	2	3
8.	Shri Nimish U. Patel	NED/ID	5	5	Present	6	1	4
9.	Smt. Geeta A. Goradia	NED/ID	5	3	Present	5	2	8
10.	Shri Hemant J. Bhatt	NED/ID	5	5	Present	1	1	4

\* PD - Promoter Director; MD - Managing Director; ED – Executive Director; NED - Non-Executive Director; ID - Independent Director as defined in the Listing Regulations.

\*\* Number of other Directorships includes Directorships held in private limited companies, Section 8 companies under the Companies Act, 2013 and foreign companies.

The following are the names of the Listed Entity/Entities where the person is a Director and the category of directorship held:

## REPORT ON CORPORATE GOVERNANCE...

Name of Directors	Names of the listed entities	Category of Directorship*
Shri Ashwin C. Shroff	Excel Industries Limited	PD/CMD
	Transpek Industry Limited	PD/NED
Shri Atul G. Shroff	Excel Industries Limited	PD/NED
	Transpek Industry Limited	PD/NED
Shri Bimal V. Mehta	Transpek Industry Limited	MD
Shri Dipesh K. Shroff	Excel Industries Limited	PD/NED
	Excel Crop Care Limited	NED
	Transpek Industry Limited	PD/NED
Shri Ravi A. Shroff	Excel Industries Limited	ED
	Transpek Industry Limited	PD/NED
Dr. Bernd Dill	Transpek Industry Limited	NED/ID
Shri Ninad D. Gupte	Excel Crop Care Limited	JMD
	Transpek Industry Limited	NED/ID
Shri Nimish U. Patel	Shri Dinesh Mills Limited	MD
	Ultramarine & Pigments Limited	NED/ID
	Transpek Industry Limited	NED/ID
Smt. Geeta A. Goradia	Gujarat State Fertilizers & Chemicals Limited	NED/ID
	Transpek Industry Limited	NED/ID
	Panasonic Energy India Company Limited	NED/ID
Shri Hemant J. Bhatt	Atul Auto Limited	NED/ID

\*CMD – Chairman & Managing Director; PD - Promoter Director; MD - Managing Director; JMD-Joint Managing Director; ED – Executive Director; NED - Non-Executive Director; ID - Independent Director as defined in the SEBI Listing Regulations

Detailed agenda notes were made available to the Directors in respect of the matters listed in Part-A of Schedule-II of the Listing Regulations, at least 7 (seven) days prior to the date of Meetings, as required under Secretarial Standard - 1 – ‘Meetings of the Board of Directors’.

### **COMMITTEES OF THE BOARD:**

Currently, the Board has the following committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Finance & Capex Committee

The Non-Executive Directors are paid sitting fees for attending the meetings of the above Committees. These Committees meet as and when the need arises and the minutes of their meetings are placed before the Board in its next meeting for the Board to take note thereof.

The constitution and terms of reference of all the mandatory Committees are decided by the Board in line with the applicable provisions of the Act, Rules and the Listing Regulations.



## REPORT ON CORPORATE GOVERNANCE...

### (d) Attendance of Directors in Board Meetings held during the year:

Date of the Board Meeting	23.05.2018	07.08.2018	14.11.2018	08.02.2019	27.03.2019
Board Strength	10	10	10	10	10
No. of Directors Present	10	10	7	9	9

### (e) Disclosure of relationship between Directors inter-se:

Shri Ravi A. Shroff, Director, is a relative of Shri Ashwin C. Shroff, Chairman. None of the other Directors is a relative of any Director of the Company.

### (f) The Shareholding of the Directors as on 31st March, 2019:

Sr. No.	Name of the Director	Shares held (Nos.)	% to total capital
(1)	Shri Ashwin C. Shroff	1,63,919	2.93
(2)	Shri Atul G. Shroff	38,317	0.68
(3)	Shri Bimal V. Mehta	-	-
(4)	Shri Dipesh K. Shroff	37,662	0.67
(5)	Dr. Bernd Dill	-	-
(6)	Shri Ravi A. Shroff	7,086	0.13
(7)	Shri Ninad D. Gupte	106	0.00
(8)	Shri Nimish U. Patel	-	-
(9)	Smt. Geeta A. Goradia	-	-
(10)	Shri Hemant J. Bhatt	-	-

(g) Details of Familiarisation Programme imparted to Independent Directors are disclosed on the Website of the Company i.e. <https://www.transpek.com/wp-content/uploads/2018/04/Independent-Director-Familiarisation-Programme.pdf>.

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

Name of the Directors	Name of the Skills/Expertise/ Competencies
Shri Ashwin C. Shroff	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy.
Shri Atul G. Shroff	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy.
Shri Bimal V. Mehta	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy, Legal and Compliance, IT.
Shri Dipesh K. Shroff	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy.
Shri Ninad D. Gupte	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy, Legal and Compliance.
Shri Ravi A. Shroff	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy, Legal and Compliance, IT.

## REPORT ON CORPORATE GOVERNANCE...

Name of the Directors	Name of the Skills/Expertise/ Competencies
Dr. Bernd Dill	Management, Technical, Operations, Marketing, New Business Development, Strategy
Shri Nimish U. Patel	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy, Legal and Compliance, IT.
Smt. Geeta A. Goradia	Finance, Management, Operations, Technical, Commercial, Marketing, New Business Development, Research & Development, Strategy, Legal and Compliance, IT.
Shri Hemant J. Bhatt	Finance, Management, Commercial, Strategy, Legal and Compliance, IT.

- (i) It is hereby confirmed that, in the opinion of the Board of Directors of the Company, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations as well as the provisions of the Companies Act, 2013 and the Rules made thereunder and are independent of the management.
- (j) No Independent Director of the Company has resigned before the expiry of his tenure.

### 3. **AUDIT COMMITTEE:**

#### (a) **Brief description of Terms of Reference of the Audit Committee:**

- Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditors of the Company;
- Review and monitor the Auditors' independence and performance, and effectiveness of Audit process;
- Examination of the financial statement and the Auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Omnibus approval of Related Party Transactions and periodical review thereof;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters

#### (b) **Composition, names of members and Chairperson:**

The Audit Committee of the Board consists of the following three Independent Directors and one Promoter- Non-Executive Director:

1. Shri Ninad D. Gupte :Independent Director (Chairman of the Committee)
2. Shri Nimish U. Patel :Independent Director
3. Shri Hemant J. Bhatt :Independent Director
4. Shri Dipesh K. Shroff :Promoter, Non-Executive Director

All the members of the Audit Committee have accounting or financial management expertise by virtue of their having been Chief Executive Officers or possessing the requisite professional qualification or certification in accounting and management.

## REPORT ON CORPORATE GOVERNANCE...

### (c) Meetings and attendance during the year:

Details of meetings held and attended by the aforesaid Directors are as under:

Date of Audit Committee Meeting	Shri Ninad D. Gupte (Chairman) (ID/NED)	Shri Nimish U. Patel (ID/NED)	Shri Hemant J. Bhatt (ID/NED)	Shri Dipesh K. Shroff (PD/NED)
23.05.2018	Present	Present	Present	Present
07.08.2018	Present	Present	Present	Present
14.08.2018	Absent	Present	Present	Present
08.02.2019	Absent	Present	Present	Present
27.03.2019	Present	Present	Present	Present

The Company Secretary & Compliance Officer of the Company acts as the Secretary of this Committee.

Audit Committee meetings are also attended by the Chief Financial Officer as invitee. Statutory Auditors, Internal Auditors and Cost Auditors of the Company are also invited to the meetings and discussions are held with them as and when required. When the Chairman of the Audit Committee could not attend the meeting, another Independent Director and member of the Committee had chaired the meeting with the unanimous consent of other Committee members.

The minutes of the meetings of the Audit Committee are circulated to the members of the Board, discussed and taken note of and the recommendations of the Audit Committee are accepted by the Board.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 7th August, 2018.

### 4. NOMINATION & REMUNERATION COMMITTEE:

#### (a) Brief description of Terms of Reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal and shall specify the manner of effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and compliance;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management and KMPs.

#### (b) Composition, name of members and Chairperson:

The Board of Directors of the Company had at its meeting held on 27th May, 2019, appointed Shri Atul G. Shroff, Director, as a member of the Committee and the Committee is reconstituted of the following:

1. Shri Ninad D. Gupte : Independent Director (Chairman of the Committee)
2. Shri Nimish U. Patel : Independent Director
3. Shri Dipesh K. Shroff : Promoter, Non-Executive Director
4. Shri Atul G. Shroff : Promoter, Non-Executive Director

## REPORT ON CORPORATE GOVERNANCE...

(c) **Data on meetings of the Committee & attendance during the year:**

Details of meetings of the Committee held and attended by the aforesaid Directors are as under:

Date of Nomination & Remuneration Committee Meeting	Shri Ninad D. Gupte (Chairman) (ID/NED)	Shri Nimish U. Patel (ID/NED)	Shri Dipesh K. Shroff (PD/NED)
14.11.2018	Absent	Present	Present

The Company Secretary & Compliance Officer of the Company also acts as the Secretary of this Committee.

When the Chairman of the Nomination and Remuneration Committee could not attend the meeting, another Independent Director and member of the Committee had chaired the meeting with the unanimous consent of other Committee members.

The minutes of the meeting of the Nomination and Remuneration Committee is circulated to the members of the Board, discussed and taken note of and the recommendations of the Nomination and Remuneration Committee are accepted by the Board.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on 7th August, 2018.

(d) **Performance Evaluation:**

Pursuant to the provisions of section 178 of the Companies Act, 2013 and sub-regulation (4) of Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and its Committees and inputs were obtained from the Directors in structured questionnaires. The criteria for Performance Evaluation cover the areas relevant to their functioning as Director on the Board of the Company and as member of the Committees of the Board. An exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as oversight of Management, Interaction with Senior Management, Adequacy of information and timeliness, Board dynamics, stakeholders' management, discharge of responsibility, conduct of meetings, composition and skills, preparedness and attendance at meetings, understanding the Company's operations and key competency/area of knowledge, contribution at Board meetings, quality of inputs, interpersonal skills, confidentiality etc. The performance evaluation of the Independent Directors had also been carried out by the other Directors on the Board. The Directors expressed their satisfaction with the evaluation process.

### 5. **REMUNERATION OF DIRECTORS:**

- The details of payment of sitting fees and commission made to the non-executive directors are given below. The details of other pecuniary relationships and related party transactions of the non-executive directors are given separately in this report and in the Notes on Accounts in the Annual Report.
- The non-executive Directors are paid sitting fees for attending meetings of the Board and of Committees of Directors. In addition, as approved by the members of the Company, a commission not exceeding in the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, in such proportion and manner as the Chairman may decide shall be payable to non-executive Directors of the Company.

The non-executive Directors were paid sitting fee of Rs. 20,000/- for each meeting of the Board and various Committees except in the case of meetings of Stakeholders Relationship Committee where the sitting fee paid was Rs. 10,000/- for each meeting. The non-executive Directors were also paid commission upto 1% in the aggregate for the year 2018-2019 as detailed below:

## REPORT ON CORPORATE GOVERNANCE...

Name of Non-executive Directors	Sitting fees paid during the year 2018-2019 for attending Board and Committee Meetings. (In Rs.)	Commission to be paid for the year 2018-2019.* (In Rs.)
Shri Ashwin C. Shroff	1,00,000	10,00,000
Shri Dipesh K. Shroff	2,80,000	10,00,000
Dr. Bernd Dill	1,20,000	10,00,000
Shri Ravi A. Shroff	80,000	10,00,000
Shri Ninad D. Gupte	1,40,000	10,00,000
Shri Nimish U. Patel	3,70,000	10,00,000
Shri Hemant J. Bhatt	3,10,000	10,00,000
Smt. Geeta A. Goradia	1,00,000	10,00,000
Shri Atul G. Shroff	2,50,000	10,00,000

\* Commission to non-executive Directors for the year 2018-19 will be paid after adoption of the audited financial statements for the year ended 31st March, 2019 by the members of the Company at the Annual General Meeting scheduled to be held on 9th August, 2019.

5(c)(i) & (ii) All elements of remuneration package of the Managing Director for the Financial Year 2018-19 summarized under major groups, such as salary, benefits, bonuses, stock options, pension, etc;

Particulars Fixed Components	Shri Bimal V. Mehta (Amt. in Rs.)
1. Total Salary	68,80,000/-
Range approved—Rs.5,40,000/- p.m. to Rs.10,00,000/- p.m. Present Salary – Rs.6,40,000/- p.m.	
2. Total Perquisites	91,06,831/-
Variable Component	1,05,23,000/-
Commission	

\* Perquisites include contributions to Provident Fund, Superannuation and Gratuity in addition to the other perquisites equivalent to the amount of Salary.

**The above remuneration of the Managing Director is within the limits approved by the shareholders.**

### 5(c)(iii) Service contracts, notice period, severance fees:

The employment of the Managing Director is contractual for a period of five years from 1st December, 2017. His service is terminable by either party by giving three months' advance notice. As per the terms of contract, in the event of non-renewal or premature termination of the contract by the Company, the Managing Director is entitled to receive compensation equivalent to 12 months' salary and perquisites as applicable at the time of such termination.

### **5(c)(iv) Stock option details, if any, and whether issued at a discount as well as the period over which accrued and over which exercisable:**

The Company does not have any Stock Option Scheme and did not issue any Stock Options during the Financial Year 2018-2019.

## REPORT ON CORPORATE GOVERNANCE...

### 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

- (A) Stakeholders' Relationship Committee as constituted by the Board pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations, is headed by Shri Nimish U. Patel, Non-Executive Independent Director of the Company. Other members of the Committee are: Shri Atul G. Shroff, Non-Executive Director of the Company and Shri Hemant J. Bhatt, Non-Executive Independent Director of the Company.
- (B) Shri Alak D. Vyas, Company Secretary and Compliance Officer of the Company also acts as the Secretary of this Committee.
- (C) During the year under review 5 (five) complaints were received, which were disposed of to the satisfaction of the aggrieved shareholders before 31.03.2019. Hence, there were no outstanding complaints pending as at 31.03.2019, the details of which are as under.

Sr. No.	Particulars	Nos. of Complaints
1.	No. of complaints pending at the beginning of the year (01-04-2018)	0
2.	No. of complaints received during the year 2018-19	5
3.	No. of complaints resolved/redressed during the year	5
4.	No. of complaints pending as on 31-03-2019	0

### 7. GENERAL BODY MEETINGS:

(A): Location, date and time, where the last three annual general meetings were held:

General Body Meeting	Date & time when held	Place where held
50th Annual General Meeting	05-08-2016 at 3.30 p.m.	Hotel Surya Palace, Opp: Parsi Agiyari, Sayajigunj, Vadodara 390 020
51st Annual General Meeting	10-08-2017 at 3.30 p.m.	Hotel Grand Mercure Surya Palace, Opp: Parsi Agiyari, Sayajigunj, Vadodara 390 020
52nd Annual General Meeting	07-08-2018 at 4.00 p.m.	Hotel Grand Mercure Surya Palace, Opp: Parsi Agiyari, Sayajigunj, Vadodara 390 020

(B) The Following Special Resolutions were passed during the preceding three financial years:

Sr. No.	Year	Matters on which special resolutions were passed
1.	2017-2018 AGM DATE: 07-08-2018	None
2.	2016-2017 AGM DATE: 10-08-2017	To approve acceptance and renewal of deposits from the members of the Company.
3.	2015-2016 AGM DATE: 05-08-2016	To approve increase in the remuneration of Shri Bimal V. Mehta, Executive Director of the Company, for the period from 9th April, 2016 to 8th April, 2018.

### (C&D) SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT LAST YEAR:

During the year under review, no resolutions were passed through Postal Ballot.

(E & F): None of the resolutions proposed to be passed at the ensuing AGM to be held on 9th August, 2019, is required or proposed to be conducted through postal ballot.



## REPORT ON CORPORATE GOVERNANCE...

### 8. MEANS OF COMMUNICATION:

(A & B) The un-audited quarterly and summarized annual audited results have been submitted to the BSE Limited and are also published in two newspapers- (one English newspaper and one vernacular) - from among Business Standard (all editions); Vadodara Samachar (Vadodara edition); Indian Express (Vadodara edition) and Financial Express (all editions).

(C) The financial results are also placed on the Company's Website – '<https://www.transpek.com/index.php/financial-results/>' and are also available on the website of BSE Ltd. '[www.bseindia.com](http://www.bseindia.com)';

(D) The Company has not issued any official news releases during the year.

(E) The Company has not held any analyst meet/investors conference during the year and no presentations were made to institutional investors or to analysts.

### 9. GENERAL SHAREHOLDER INFORMATION:

a. **Date, time and venue of Annual General Meeting:** On Friday, the 9th August, 2019 at 04.00 p.m. at Crystal Room, 1st Floor, Hotel Grand Mercure - Surya Palace, Opp: Parsi Agiyari, Sayajigunj, Vadodara – 390 020.

b. **Financial Year** : 1st April to 31st March

c. **Dividend Payment date** : Within 30 days after declaration at 53rd AGM.

d. **Stock Exchange Listings** : The BSE Limited, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The Company has paid Annual Listing Fees to the BSE Limited for the F.Y. 2018-19.

e. Scrip code/ID: '[506687](#)'; or '[Transpek](#)' on BSE Limited

ISIN No.: [INE 687A01016](#) for dematerialization.

f. **Market price data – high, low during each month in last financial year:**

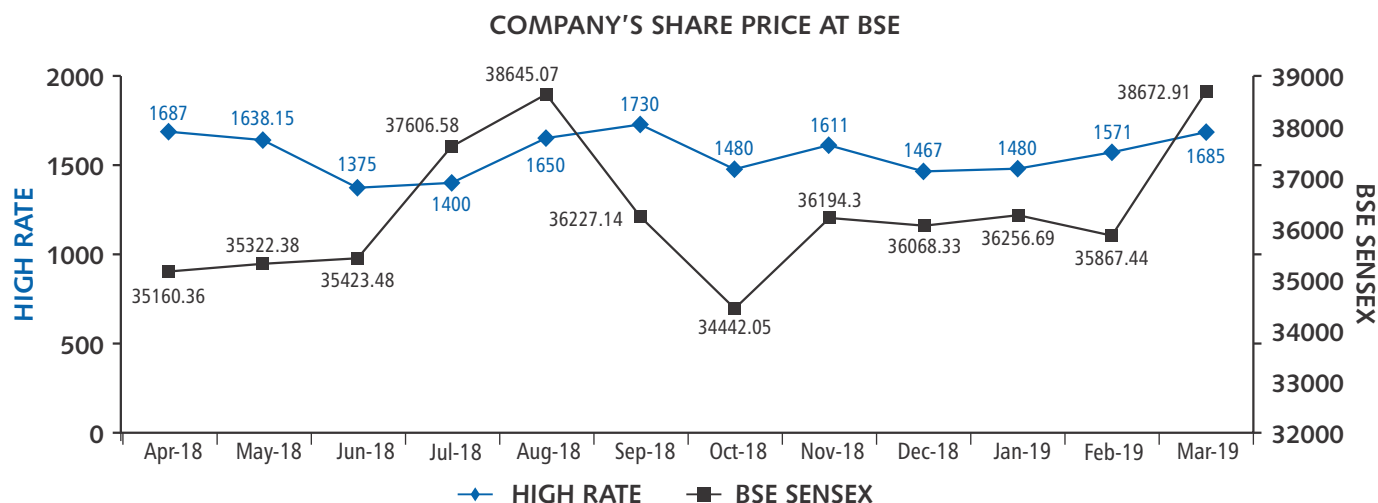
Monthly High, Low, Closing Market Price and number of shares traded during each month in the last financial year on the BSE Ltd., is furnished below:

#### At the BSE Ltd.

2018-2019 (12 months)	Opening Price (Rs. Per share)	Highest Price (Rs. per share)	Lowest Price (Rs. per share)	Closing Market price (Rs. per share)	Volume of Trade (No. of shares)
April, 2018	1250.00	1687.00	1220.50	1600.75	109333
May, 2018	1600.00	1638.15	1232.05	1249.40	49379
June, 2018	1260.00	1375.00	1220.00	1314.85	67094
July, 2018	1314.85	1400.00	1170.00	1322.50	41866
August, 2018	1374.50	1650.00	1298.00	1620.55	164253
September, 2018	1648.90	1730.00	1361.00	1386.60	88349
October, 2018	1380.00	1480.00	1270.00	1462.40	37637
November, 2018	1480.00	1611.00	1355.00	1407.30	31574
December, 2018	1429.00	1467.00	1295.00	1422.50	37357
January, 2019	1422.50	1480.00	1330.00	1395.40	84076
February, 2019	1415.00	1571.00	1361.05	1422.65	124918
March, 2019	1422.00	1685.00	1406.10	1502.60	41325

## REPORT ON CORPORATE GOVERNANCE...

### g. Share price performance in comparison to Broad-based Index BSE Sensex



h. The Company's shares were not suspended from trading on BSE during the year.

#### i. Registrar and Share Transfer Agent:

The Company's Registrar & Share Transfer Agent is M/s. Link Intime India Private Limited.

All correspondence regarding shares of the Company can be addressed to them. The address of the Company's RTA is as under:

##### (i) Registered Office:

Link Intime India Private Limited,  
C-101, 247 Park,  
LBS Marg, Vikhroli (W),  
Mumbai 400 083  
Phone: +91 22 49186270  
Website [www.linkintime.co.in](http://www.linkintime.co.in)

##### (ii) Branch Office:

Link Intime India Private Limited  
B – 102 & 103 Shangrila Complex  
1st Floor, Nr. Radhakrishna Char Rasta  
Akota, Vadodara - 390020  
Phone: 0265- 2356794, 2356573  
Fax : 0265- 2356791  
Email: [alpesh.gandhi@linkintime.co.in](mailto:alpesh.gandhi@linkintime.co.in)  
[vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

#### j. Share Transfer System:

All the transfer requests received are processed by the Registrar and Share Transfer Agent and are approved by the Committee of Sr. Officials of the Company, which meets every ten days. Share transfers are registered and returned within a maximum of 15 working days from the date of lodgement if documents are complete in all respects.

With effect from 1st April, 2019, transfer of shares in physical form has been discontinued pursuant to SEBI Guidelines.

## REPORT ON CORPORATE GOVERNANCE...

### k. Distribution of shareholding as on 31st March, 2019:

Category I. Share Range	No. of Shareholders	Percentage to Total No. of Shareholders	No. of Shares	Percentage to Capital
1 -500	8930	94.3376	6,51,315	11.66
501 -1,000	250	2.6410	1,80,249	3.23
1,001 -2,000	145	1.5318	2,05,249	3.67
2,001 -3,000	37	0.3909	94636	1.69
3,001 -4,000	20	0.2113	71260	1.28
4,001 -5,000	19	0.2007	84722	1.52
5,001 -10,000	26	0.2747	193619	3.47
10,001 -and above	39	0.4120	4104519	73.48
<b>TOTAL</b>	<b>9466</b>	<b>100.0000</b>	<b>55,85,569</b>	<b>100.00</b>

### l. Dematerialization of Shares and liquidity:

The Company has entered into agreements with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories. As on 31st March, 2019, 54,35,643 nos. of equity shares representing 97.32% of the paid up capital are held by 6853 shareholders in dematerialized form and 1,49,926 nos. of equity shares representing 2.68% of the paid up capital are held by 2613 shareholders in physical form. 34.54% of the share capital is held by general public shareholders, 2.18% is held by FIIs and 4.42% is held by insurance companies and DIIs. The shares of the Company are regularly traded in electronic mode on the BSE Ltd., which has nationwide online trading facility and which provides adequate liquidity.

m. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

n. Commodity price risk or foreign exchange risk and hedging activities: The Company has framed a Foreign Exchange Risk Management Policy for hedging activities which takes care of foreign exchange risk.

### o. Plant locations:

Transpek Industry Limited  
 At & Post -Ekalbara 391 440,  
 Taluka Padra, Dist. **Vadodara**  
 Telephone : 02662-244444, 244289, 244309, 244318, 244276  
 Website : [www.transpek.com](http://www.transpek.com)

### p. Address for correspondence:

Shri Alak D. Vyas  
 Company Secretary & Compliance Officer  
 Transpek Industry Ltd,  
 6th Floor, Marble Arch,  
 Race Course, Vadodara 390 007.  
 Telephone : 0265-2335444  
 Fax : 0265-2335758  
 E-mail : [investorrelations@transpek.com](mailto:investorrelations@transpek.com)  
 Website : [www.transpek.com](http://www.transpek.com)

Shareholders holding shares in physical form should address their correspondence relating to their shareholding to the Registrar & Transfer Agents, Link Intime India Pvt. Ltd., and the shareholders holding shares in electronic mode should address all their correspondence relating to their shareholding in the company to their respective Depository Participants.

## REPORT ON CORPORATE GOVERNANCE...

q. **List of credit ratings obtained during the Financial Year 2018-2019:**

The details of credit ratings obtained by the Company during the Financial Year 2018-2019 are as under:

Sr. No.	Particulars of the Rating Obtained	Rating	Agency from whom Rating obtained
1.	Rating on Long Term Bank Facilities of the Company	A-	Crisil Limited
2.	Rating on Short Term Bank Facilities of the Company	A2+	Crisil Limited
3.	Rating on Unsecured Fixed Deposits accepted from Shareholders of the Company	FA	Crisil Limited

10. **OTHER DISCLOSURES:**a. **Disclosure on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large:**

The Company has not entered into any materially significant related party transaction during the year. Among the related party transactions are contracts or arrangements made by the Company from time to time in the ordinary course of business and on arm's length basis with the companies in which the Directors are interested. All these contracts or arrangements are entered in the 'Register of Contracts in which Directors are interested' maintained under Section 189 of the Companies Act, 2013 and the Register is placed before the Audit Committee and the Board at their meetings and signed by the Directors. Prior omnibus approval of the Audit Committee had also been obtained for entering into certain Related Party Transactions and the same are reviewed by Audit Committee on quarterly basis.

The Company has entered into related party transactions with Transpek-Silox Industry Private Limited for sale of one of the Company's products, for which prior approval of the Audit Committee and the Board of Directors had been obtained.

The Company has also carried out transactions with the following related parties as per the contracts approved by the Audit Committee and Board of Directors of the Company as required under the Act and the Listing Regulations:

- continued the arrangement with M/s. TML Industries Limited ('TML') for manufacture of the Company's product on job-work basis at TML's factory premises situated at Village: Piludra, Dist: Bharuch and Village: Karakhadi, Dist: Vadodara; and
- Payment of Commission on Sales to M/s. Anshul Life Science, as a Distributor of the Company's products.

The Company has also framed a Related Party Transactions Policy pursuant to the provisions of the Companies Act, 2013 read with Regulation 23 of the Listing Regulations and the same is available on the Company's website '[www.transpek.com](http://www.transpek.com)'.

Particulars of transactions between the Company and related parties as per the Indian Accounting Standard 24 "Related Party Disclosures" notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Audit and Accounts) Rules, 2014 are given under Note No.42 of the Standalone Annual Accounts for the financial year 2018-2019.

b. **Statutory Compliance, Penalties and Strictures:**

There has neither been any non-compliance of any of the provisions of law by the Company nor any penalty or stricture imposed by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during the last three years on the Company or any of its Directors.

c. **Whistle Blower Policy:**

The Company has established a Vigil Mechanism and a Whistle Blower Policy to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct, details of which have been given in the Corporate Governance Report. The Whistle Blower Policy has been posted on the website of the Company and can be accessed at link -<http://www.transpek.com/pdf/whistle-blower-policy.pdf>.

## REPORT ON CORPORATE GOVERNANCE...

### d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements and has not adopted non-mandatory requirements under the Listing Regulations.

- e. The Company does not have any material subsidiary company and hence policy for determining material subsidiaries has not been adopted.
- f. Policy on dealing with related party transactions is available on the website of the Company and can be accessed at link - <https://www.transpek.com/wp-content/uploads/2018/04/Related-Party-Transactions.pdf>.
- g. Commodity price risks and commodity hedging activities: The Company has framed a Foreign Exchange Risk Management Policy for hedging activities which takes care of foreign exchange risks.
- h. During the year under review, the Company did not raise funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- i. Shri Vijay L. Vyas, Practising Company Secretary has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The contents of the said certificate is appended below:

#### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34 (3) and Schedule V para C clause (10) (i) of **Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015**)

To,  
**The Members,**  
**TRANSPEK INDUSTRY LIMITED**  
**6TH Floor, Marble Arch,**  
**Racecourse, Vadodara – 390007**

I have examined the relevant registers records, forms, returns and disclosures received from the Directors of Transpek Industry Limited having CIN: L23205GJ1965PLC001343 and having its registered office at 6th Floor, Marble Arch, Racecourse, Vadodara –390007 (hereinafter referred to as the Company). Produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V para – C sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Ahmedabad or any such other statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Atul Govindji Shroff	00019645	01/12/1981
2.	Ashwin Champraj Shroff	00019952	02/05/1980
3.	Ninad Dwarkanath Gupte	00027523	07/06/2008
4.	Dipesh Kantisen Shroff	00030792	27/03/2001
5.	Ravi Ashwin Shroff	00033505	29/03/2008
6.	Nimishbhai Upendrabhai Patel	00039549	30/01/2010
7.	Geeta Amit Goradia	00074343	30/05/2014
8.	Bimal Vasantlal Mehta	00081171	09/04/2010
9.	Bernd Dill	01300832	22/06/2007
10.	Hemantkumar Jayantiprasad Bhatt	02657432	11/07/2014

## REPORT ON CORPORATE GOVERNANCE...

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

**CS VIJAY L VYAS**

**Practicing Company Secretary**

**M No: 1602; CP No: 13175**

Date: 18.05.2019

Place: Vadodara

- j. During the Financial Year 2018-2019 there were no such instances where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.
- k. Details of fees paid to Statutory Auditors of the Company during the year is as under:

Particulars	2018-2019 (Rs. p.a.)
<b>Statutory Audit</b>	8,00,000
<b>Limited Review Report</b>	1,00,000 (for each quarter)
<b>Statutory Certification</b>	
Fixed Deposit Return	50,000
XBRL Certification	50,000
Out of pocket expenses incurred by them	11,000
<b>Total</b>	<b>12,11,000/-</b>

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

Sr. No.	Particulars	Nos. of Complaints
1.	No. of complaints pending at the beginning of the year (01-04-2018)	0
2.	No. of complaints received during the year 2018-19	0
3.	No. of complaints resolved/ redressed during the year	0
4.	No. of complaints pending as on 31-03-2019	0

11. The Company has complied with the requirements of corporate governance report of sub-para (2) to (10) above.
12. Compliance of discretionary requirements under Part E of Schedule II of the SEBI Regulations.
- The Board:** The Chairperson does not maintain his separate office at the Company's expense.
  - Shareholder Rights:** The Company publishes the financial results in newspapers and places on its website. The Company does not send it to the shareholders.
  - Modified opinion(s) in audit report:** The Audit opinion received by the Company has not been modified.
  - Reporting of internal auditor:** The Internal Auditors of the Company directly report to the Audit Committee of the Company and their Internal Audit Reports are presented at the meetings of the Audit Committee.
13. **Compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.**

The Company has complied with Corporate Governance requirements as specified in Regulations 17 to 27 relating to Board of Directors; Audit Committee; Nomination and Remuneration Committee; Stakeholders Relationship Committee; Risk Management Committee (voluntarily constituted); Vigil Mechanism; Related Party Transactions, Corporate Governance Requirements with respect to subsidiary company (The Company has one subsidiary incorporated outside India which is not a material subsidiary company); obligations with respect to Independent Directors, other Directors and Sr. Management; the Company has submitted quarterly compliance reports on Corporate Governance together with the details of all material transactions with related parties duly signed by the Compliance Officer. The information and documents specified under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations have been placed on the website of the Company.



## REPORT ON CORPORATE GOVERNANCE...

### D. CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY:

#### CERTIFICATE

This is to confirm and certify that the Company has adopted a Code of Conduct for Board Members and Senior Management Personnel. As provided under sub-regulation (3) of Regulation 26 of the Listing Regulations, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2019.

**Transpek Industry Ltd.**

**Sd/-**

**Bimal V. Mehta**

**Managing Director**

**Place: Vadodara**

**Date: 27th May, 2019**

- E. Compliance Certificate from the Auditors with regard to compliance of conditions of the Corporate Governance Report has been obtained and is annexed as Annexure to the Directors' Report.

F. **Disclosures with respect to demat suspense account/unclaimed suspense account:**

During the year under review, the Company has opened a demat suspense account with Axis Bank Limited, Vadodara. Sixty-two (62) equity shares in the aggregate held by two (2) shareholders have been transferred to the demat suspense account during the year. Neither of the two shareholders has approached the Company for transfer of shares from the demat suspense account of the Company.

Therefore, a total of 62 equity shares held by 2 shareholders lie in the demat suspense account of the Company at the end of the year on 31/03/2019. Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

# TEN YEARS HIGHLIGHTS

(₹ in Lakhs)

	2018-2019	2017-2018	2016-2017	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>I CAPITAL ACCOUNTS</b>										
A Share Capital	558.56	558.56	558.56	587.20	587.20	587.20	587.20	587.20	587.20	587.20
B Reserves	19110.58	13133.39	10110.45	8487.26	6889.54	6136.04	5588.04	4770.66	5802.52	4797.22
C Shareholders' Fund (A+B)	19669.14	13691.95	10669.01	9074.46	7476.74	6723.24	6175.24	5357.86	6389.72	5384.42
D Borrowings*	12020.23	18013.74	6984.33	5644.21	7158.35	5906.59	6789.16	6579.04	6566.50	5047.26
E Fixed Assets										
i Gross Block	34901.36	28029.58	20660.09	17548.16	16823.37	16188.85	15703.11	14931.21	13897.66	11426.75
ii Net Block	23645.11	17860.90	11713.61	9391.44	9227.04	9297.79	9444.09	9286.53	8853.61	6902.39
F Debt-Equity Ratio	0.61:1	1.31:56	0.65:1	0.62:1	0.96:1	0.88:1	1.10:1	1.23:1	1.03:1	0.94:1
<b>II REVENUE ACCOUNTS</b>										
A Sales Turnover**										
i Domestic	10881.15	9939.12	9649.92	10085.89	9587.62	9139.03	7622.96	7055.86	7795.81	4974.46
ii Export	48352.26	25250.78	20448.97	18002.56	16150.96	14256.67	13079.49	8299.24	10434.44	6366.28
TOTAL	59233.41	35189.90	30098.89	28088.45	25738.58	23395.70	20702.45	15355.10	18230.25	11340.74
B EBIDTA	13440.85	5684.38	6013.02	5061.51	3599.92	3061.42	2904.17	458.11	3135.62	1823.86
C Profit after tax	6573.70	2640.29	2997.62	2127.78	1105.80	719.75	1023.48	(1031.85)	1276.44	454.60
D Return on Shareholders' Fund %	33.42	19.28	28.10	23.45	14.79	10.71	16.57	(19.26)	19.98	8.44
<b>III EQUITY SHAREHOLDERS' EARNINGS</b>										
A Earning per Equity Share Rs.	117.69	47.27	51.89	36.24	18.83	12.26	17.43	(17.57)	21.77	7.80
B Dividend per Equity Share # Rs.	20.00	9.00	9.00	7.50	5.00	2.50	3.00	-	4.00	2.50
C Dividend Payout Ratio %	20.49	22.95	20.57	24.91	31.86	23.86	20.14	-	21.36	37.66
D Net Worth per Equity Share Rs.	352.14	245.13	191.01	154.54	127.33	114.50	105.16	91.24	108.82	91.70
E Market price of Share as on 31st March	1502.60	1233.10	590.35	396.20	241.20	119.45	60.00	85.05	137.05	63.50

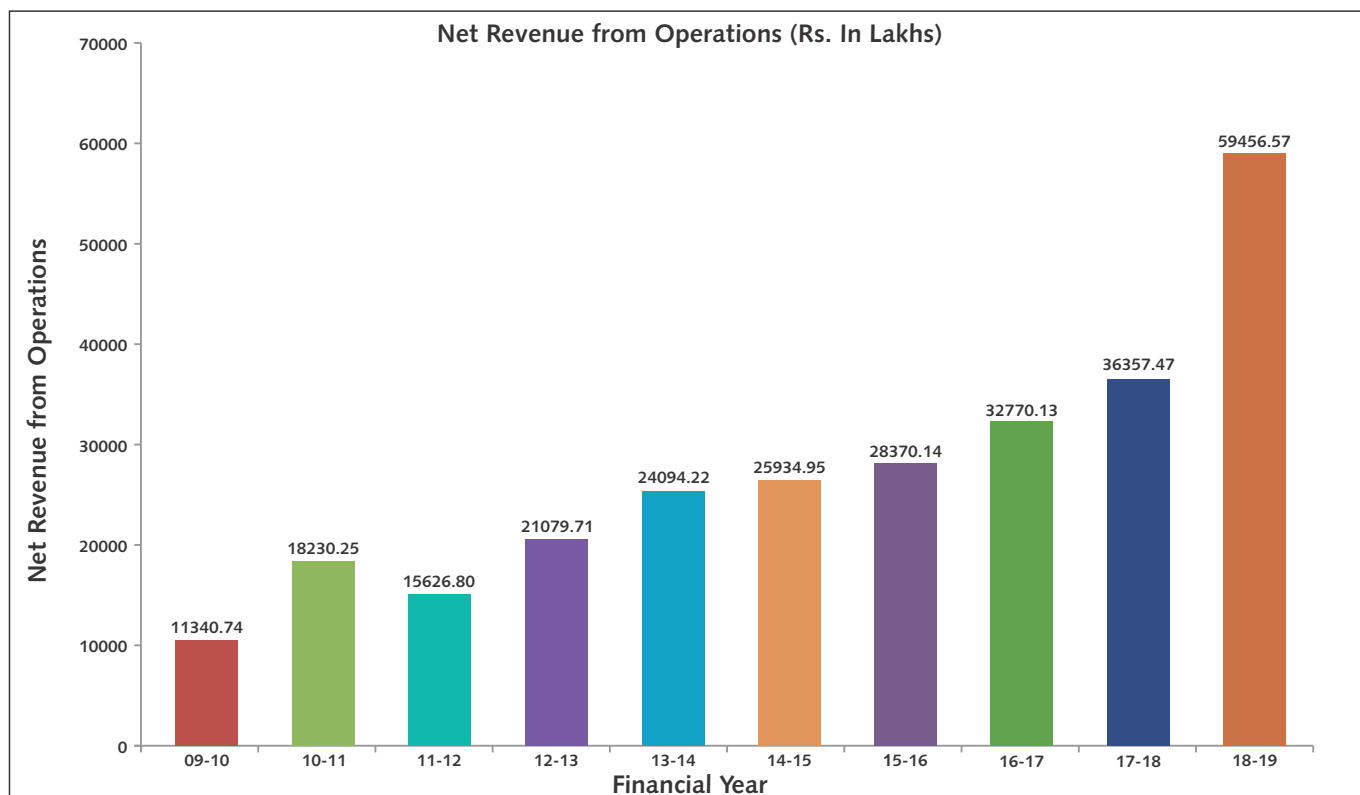
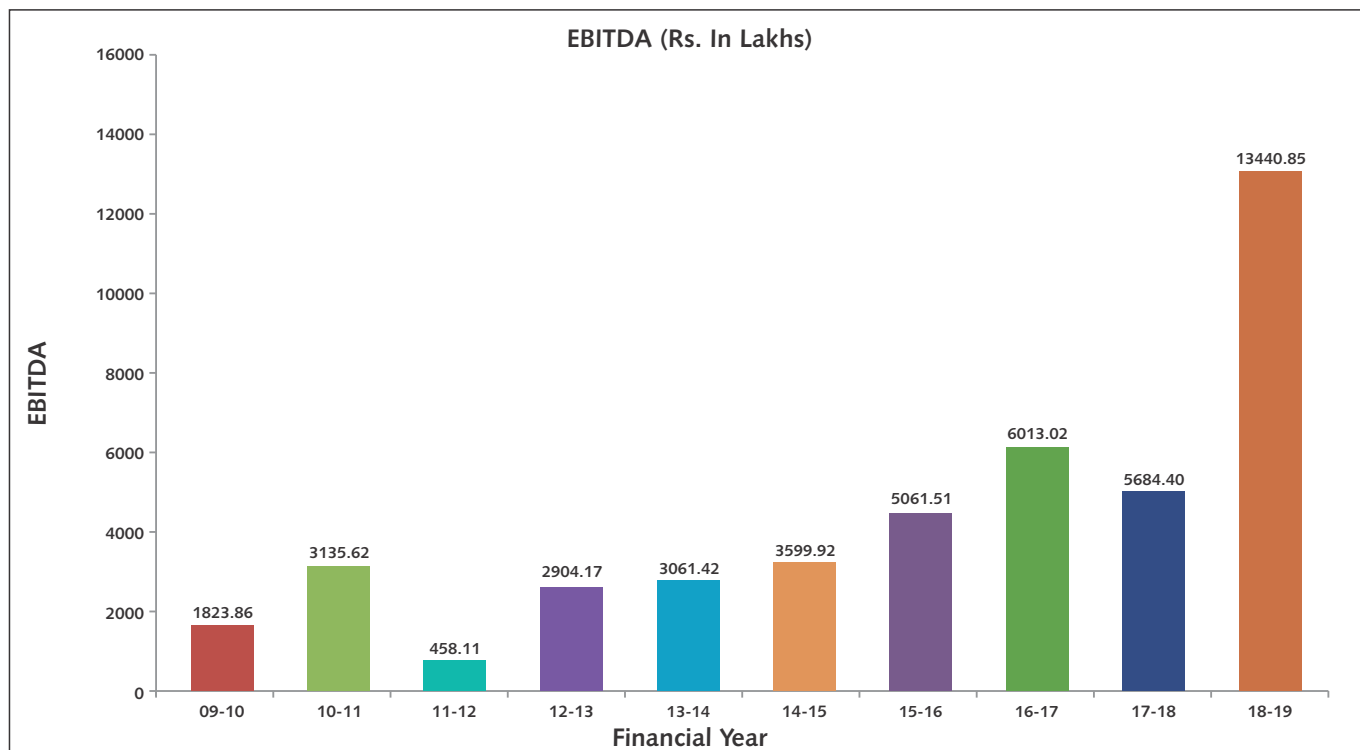
\* Borrowing is net of Cash and Bank balance

\*\* Sales Turnover is after reducing discounts/rebates and it does not include trading sales.

# Equity Share of Face Value of Rs.10/-

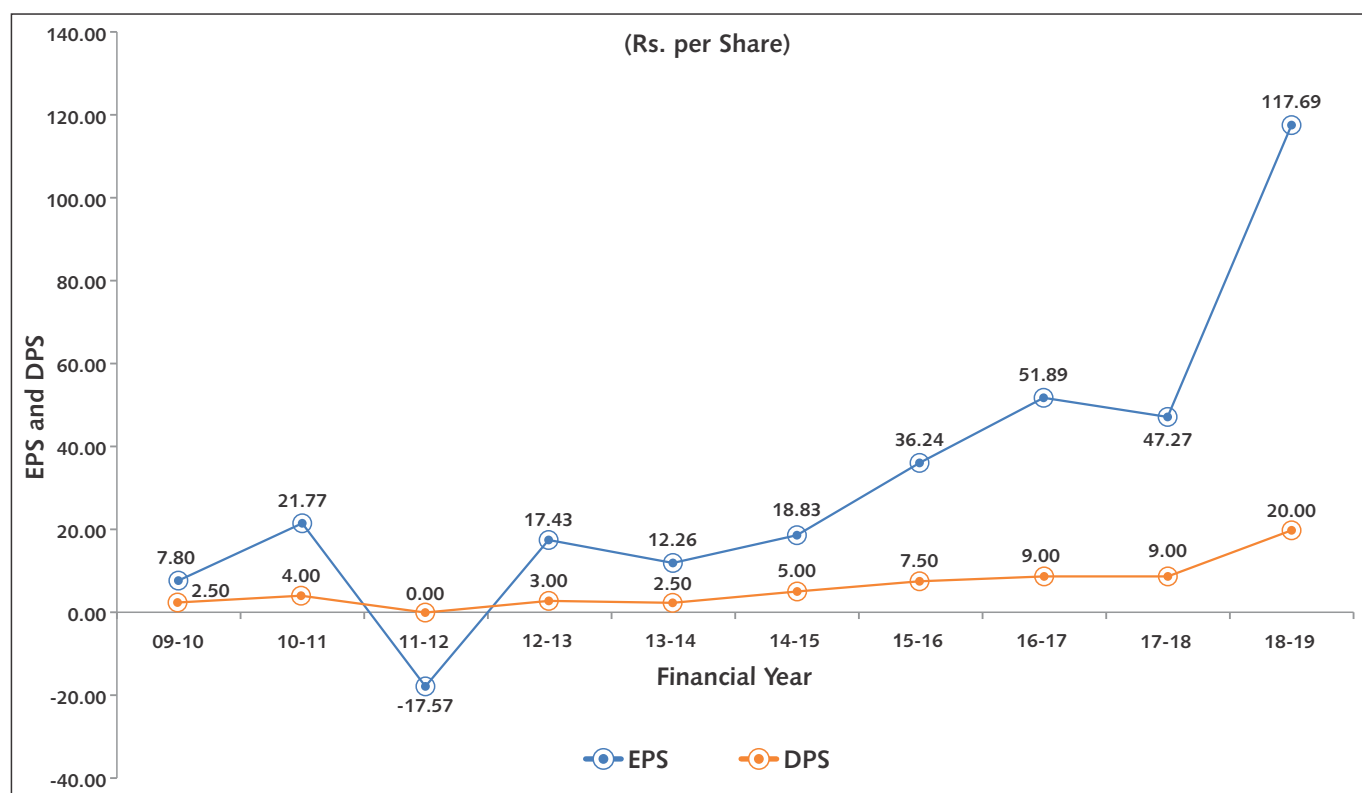
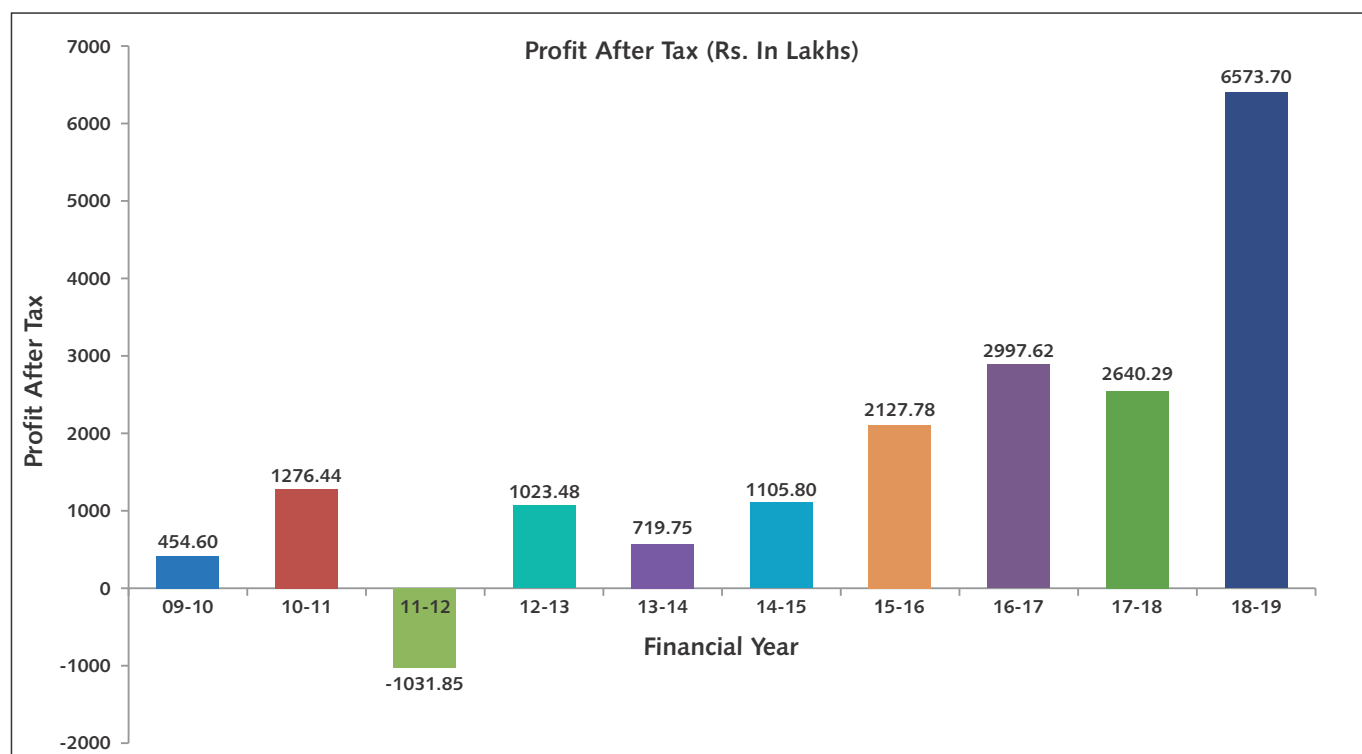
Previous years figures have been regrouped/rearranged wherever necessary.

## PERFORMANCE - AN OVERVIEW



**Note :** Previous years' figures have been regrouped / rearranged wherever necessary.

## PERFORMANCE - AN OVERVIEW...



**Note :** Previous years' figures have been regrouped / rearranged wherever necessary.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

TRANSPEK INDUSTRY LIMITED

Report on the audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of **TRANSPEK INDUSTRY LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to as "the Standalone financial statements").

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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

## Key Audit Matters

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

Sr No	Key Audit Matter	How the matter was addressed in our audit:
1.	<b>Evaluation of uncertain tax positions and litigations</b>  The company has on-going legal matters relating to direct tax, Indirect tax and other matters which requires significant management judgement to determine the likely outcome.  Refer Note 37 (A) to the Standalone Financial Statements.	In assessing the potential exposure of the on-going litigation, we have performed the following procedures: <ul style="list-style-type: none"> <li>• Obtaining from the management details of all completed / pending tax assessments and other litigations upto 31st March 2019;</li> <li>• Understanding the status of pending tax demands and potential liability for the other pending litigations;</li> <li>• Involved our internal tax teams and discussing with the company's legal advisors to confirm the management's underlying assumptions and judgement for determining the potential liability and provisions and the possible outcome of the litigation.</li> </ul>

## INDEPENDENT AUDITORS' REPORT

Sr No	Key Audit Matter	How the matter was addressed in our audit:
2.	<p><b>Transactions with Related Parties</b></p> <p>The company in its course of operations has entered into transactions with related parties. The identification of these related parties, transactions entered into with them and the determination of arm's length price involves significant judgement and estimates.</p> <p>Refer Note 42 to the Standalone Financial Statements.</p>	<p>Our audit approach for the transactions with related parties involved the following:</p> <ul style="list-style-type: none"> <li>• Evaluation and testing of the design of internal controls and the secretarial process followed relating to identification of related parties and transactions with them;</li> <li>• Confirming the regulatory requirements for the identification of related parties and transactions with these related parties, the determination of arm's length pricing and the disclosures for the same in the standalone financial statements;</li> <li>• Evaluating management judgments and assumptions regarding transactions with Related Parties at Arm's Length Price;</li> <li>• Review of sample agreements/contracts to compare the terms of the related parties' transactions to those of identical or similar transactions with one or more unrelated parties and evaluate the business rationale for the same.</li> </ul>
3.	<p><b>Recoverability and Recognition of Export Incentives under Merchandise Export from India Scheme (MEIS)</b></p> <p>Under the Foreign Trade Policy (FTP) 2015-20 of Government of India, the company claims and receives export benefits under Merchandise Export from India Scheme (MEIS);</p> <p>The Company recognizes these benefits when there is a reasonable assurance that the benefits will be received and company will comply with all the attached conditions in the period in which the right to receive the same is established;</p> <p>Refer Note 2.1(M) and 30 to the standalone financial statements.</p>	<p>Our audit approach for verification of the export incentives under MEIS and its recognition involved the following:</p> <ul style="list-style-type: none"> <li>• Evaluation and testing the internal controls and the process for identification and recognition of MEIS Income;</li> <li>• Understanding the management judgements, key assumptions and estimations based on which recognition for MEIS income is done;</li> </ul>

### Information other than the Standalone Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's information, but does not include the Standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



## INDEPENDENT AUDITORS' REPORT

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements 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 Responsibilities for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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;

## INDEPENDENT AUDITORS' REPORT

- 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) 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.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

## INDEPENDENT AUDITORS' REPORT

(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 (A) to the standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2019.

**For C N K & Associates, LLP**  
**Chartered Accountants**  
**Firm Registration No. 101961W/W-100036**

**Himanshu V. Kishnadwala**  
**Partner**  
**Membership No.037391**  
**Place: Vadodara**  
**Date: 27th May, 2019**

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### Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments;
- (b) As informed to us, the company has a phased programme of physical verification of its Property, plant and equipments so as to cover all assets once in three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets;
- (c) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company;
- (ii) (a) As per the information and explanations given to us, the inventories held by the company have been physically verified by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable;
- (b) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories and the discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts;
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3(a), 3(b) and 3(c) are not applicable for the year;
- (iv) In our opinion and according to the information and explanations given to us, provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities have been complied with;

## INDEPENDENT AUDITORS' REPORT

- (v) In our opinion and as explained to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under for the deposits accepted by the company;
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, Goods and Service tax (GST), service tax, custom duty, excise-duty, value added tax, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2019, for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us and the records examined by us, there are no dues of income tax, sales tax, Goods and Service tax(GST), wealth-tax, service tax, duty of customs, duty of excise, value added tax or cess that has not been deposited on account of disputes except the following:

Name of the Statute	Nature of dues	Amount (₹In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax (including interest thereon)	16.96	2013 -2014	Commissioner of Income Tax(Appeals),Vadodara
Central excise act,1944	Excise duty (including penalty)	51.13	2006 to 2012	CESTAT, Ahmedabad
Service tax	Service tax (including penalty)	208.04	2009 to 2017	Commissioner (Appeals), Vadodara
Service tax	Service tax (including penalty)	395.74	2008 to 2017	CESTAT, Ahmedabad
Central excise act,1944	Custom duty (including penalty)	25.64	2007 to 2014	CESTAT, Mumbai

**Note:-**Amounts paid under protest and not charged to profit and loss statement have not been included above. [Refer Note no. 37 (A) of Notes forming part of the financial statements]

- (viii) Based on our audit procedure and according to the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks, Government or dues to debenture holders;
- (ix) According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loan were obtained during the year;
- (x) During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the company noticed or reported during the year, nor we have been informed of any such case by the management;
- (xi) According to the information and explanation given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;

## INDEPENDENT AUDITORS' REPORT

- (xii) In our opinion and according to the information and explanation given to us, the provisions related to Nidhi Company are not applicable;
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of the Companies Act, 2013 have been complied with;
- (xvi) According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For C N K & Associates, LLP**  
**Chartered Accountants**  
**Firm Registration No. 101961W/W-100036**

**Himanshu V. Kishnadwala**  
**Partner**  
**Membership No.037391**  
**Place: Vadodara**  
**Date: 27th May, 2019**

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### Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **TRANSPEK INDUSTRY LIMITED** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements of the company 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note

## INDEPENDENT AUDITORS' REPORT

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about internal financial controls with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements of the company and such 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C N K & Associates, LLP**  
**Chartered Accountants**  
**Firm Registration No. 101961W/W-100036**

**Himanshu V. Kishnadwala**  
**Partner**  
**Membership No.037391**  
**Place: Vadodara**  
**Date: 27th May, 2019**



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### NOTE: 1

#### CORPORATE INFORMATION

Transpek Industry Limited ('TIL', 'the Company') is into the manufacturing and export of a range of chemicals servicing the requirements of customers from a diverse range of industries - Textiles, Pharmaceuticals, Agrochemicals, Advanced Polymers, etc.

The Financial Statements of the Company for the year ended 31st March, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 27th May, 2019.

### NOTE: 2

#### BASIS OF PREPARATION

##### i. Compliance with Ind AS

The Financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

##### ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

##### iii. Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency, and all values are rounded to the nearest lakhs, except otherwise indicated.

#### 2.1 SIGNIFICANT ACCOUNTING POLICIES

##### A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### An asset is treated as current when it is:

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

The Company classifies all other assets as non-current.

##### A liability is current when:

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



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company classifies all other liabilities as non-current.

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

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

### **B. Property, Plant and Equipment:**

#### **Recognition and measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs (for qualifying assets) capitalized in accordance with the Company's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Spare parts are treated as capital assets when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment. Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognised in the Statement of Profit or Loss.

#### **Subsequent Expenditure:**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### **De-Recognition:**

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when the asset is de-recognised.

#### **Depreciation methods, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided using the straight-line method based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, and is generally recognized in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the property, plant and equipment have been determined by the Management based on the technical assessment / evaluation:

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Category of Property, Plant and Equipment	Useful Life in Years	
	As per Schedule II	As per Company's Assessment
Plant & Machinery (Continuous Process Plant)	25	20

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represents the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

### Capital Work-in-Progress

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs (for qualifying asset) capitalized in accordance with the Company's accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non Current Assets" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

## C. Intangible Assets:

### Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any.

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- Its ability to use or sell the asset;
- The availability of adequate resources to complete the development and to use or sell the asset;
- and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

### Amortization

Any expenditure capitalized as technical know how is amortized on a straight-line basis over the period over which the benefit is derived by the company.

### De-recognition of Intangible Assets:

Intangible asset is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is de-recognized.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### D. Impairment of Non financial assets:

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

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### E. Inventories:

Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a FIFO (as mentioned below), after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, reduction and conversion costs and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Items of Inventory are valued on the principle laid down by the Ind AS 2 on Inventories on the basis given below:

- |  |  |
|--|--|
| (a) Raw Materials, Stores & Spares (that are not capitalized) and Fuel | Lower of cost {determined on First In First out (FIFO)} and net realizable value.  |
| (b) Packing Material   | Lower of cost {determined on First In First out (FIFO)} and net realizable value.  |
| (c) Traded Goods   | Lower of cost and net realizable value.  |
| (d) Work-in-Progress   | Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.                     |
| (e) Finished Goods   | Lower of cost and net realizable value.<br><br>Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity and excise duty. |

The comparison of cost and net realizable value is made on an item-by-basis.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### F. Financial Instruments

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

#### Financial Assets:

Initial recognition, classification and measurement

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

Debt instruments at amortized cost

A 'debt instrument' is measured at its amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the 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 amortized cost using the effective interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial Assets, and
- The asset's contractual cash flows represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI 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). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has designated certain debt instrument as at FVTPL.

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

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

### Derecognition

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

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

### Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset.

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

- Trade receivables and
- Other receivables

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

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount

### Financial Liabilities:

#### Initial recognition and Measurement

The Company's financial liabilities include trade and other payables, loans and borrowings. All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

#### Subsequent measurement

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

### Loans and borrowings

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

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

### Derecognition

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

### Offsetting of financial instruments

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

### G. Derivative financial instruments

The Company uses derivative financial instruments such as forward contracts to hedge its foreign currency risks relating to highly probable transactions or firm commitments. Such forward Exchange Contracts are marked to market and resulting gains or losses are recorded in the statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### H. Cash and cash equivalents

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

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

### I. Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or 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. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### J. Cash dividend

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### K. Foreign Currency Translation:

Initial Recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### L. Revenue recognition:

Effective 1st April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1st April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

#### Sale of Goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component and consideration payable to the customer like return and trade discounts.

Sales are disclosed excluding net of sales returns and Goods and Service Tax (GST).

#### Conversion charges

Income is recorded on accrual basis on dispatch of material and as per terms of agreement

#### Income from Wind Operated Power generators

Income from Sale of Wind Operated Power is accounted on accrual basis on confirmation of units generated and supplied to the State Electricity Board as per the agreement.

#### Sale of Scrap

Revenue from sale of scrap is recognized as and when scrap is sold.

### M. Other Income

#### Interest income



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

### Export Benefits

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefits accrued under the duty drawback scheme and Merchandise Export from India Scheme (MEIS) as per the Import and export Policy in respect of exports under the said scheme are recognised when there is a reasonable assurance that the benefit will be received and the company will comply with all attached conditions. The above benefits has been included under the head 'Export Incentives.'

### Dividend income

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

### Insurance Claims:

Insurance claims are accounted on accrual basis when there is reasonable certainty of realisability of the claim amount.

### Commission Income:

Income on account of commission is accounted on accrual basis based on the Terms of Agreement.

## N. Employee benefits:

Employee benefits include short term employee benefits, contribution to defined contribution schemes, contribution to defined benefit plan and Compensated absences.

### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Contribution towards defined benefit contribution schemes

Contribution towards provident fund and superannuation fund is made to the regulatory authorities. Contributions to the above scheme are charged to the Statement of profit and loss in the year when the contributions are due. Such benefits are classified as defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions to be made.

### Defined benefit Plan

#### Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy. Current service cost, Past-service costs are recognized immediately in Statement of profit or loss.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re measurements are not reclassified to profit or loss in subsequent periods.

### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit or loss in the period in which they arise.

### O. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

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

### P. Income taxes :

The tax expense comprises of current income tax and deferred tax.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current Income tax (including Minimum Alternate Tax(MAT) is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

### Minimum Alternate Tax (MAT)

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

### Q. Provisions and Contingent liabilities and contingent assets :

#### a) Provisions:

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

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

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

#### b) Contingent Liabilities and Contingent assets:

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

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

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

### 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

during the reporting 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. Leases:

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

#### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased assets or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### T. Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performances. The analysis of geographical segments is based on the geographical location of the customers wherever required.

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

#### Segment Policies:

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

### U. Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

## 2.2 USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### **Estimates and assumptions**

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

#### **a. Determination of the estimated useful life of tangible assets**

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

#### **b. Defined benefit plans (gratuity benefits)**

A liability in respect of defined benefit plans is recognized in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

#### **c. Taxes**

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

#### **d. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **e. Provision against obsolete and slow-moving inventories**

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

#### **f. Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

### **g. Impairment of non- financial assets**

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

These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

### **h. Other Provisions**

Significant estimates are involved in the determination of provisions. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated.

## **NOTE: 3**

### **RECENT ACCOUNTING PRONOUNCEMENTS:**

Standards Issued but not Effective

Ind AS 116: Leases

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The Company is in process of evaluating the impact of the same.

## BALANCE SHEET AS AT MARCH 31, 2019

₹ in Lakhs

Sr. No.	Particulars	Note No.	As on 31st March, 2019	As on 31st March, 2018
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
	(a) Property, Plant and Equipment	4	23,645.11	17,860.89
	(b) Capital work-in-progress	5	3,277.65	5,636.75
	(c) Investment in subsidiary	6	0.02	0.02
	(d) Financial Assets			
	(i) Investments	7	14,898.48	14,354.02
	(ii) Loans	8	208.82	228.82
	(iii) Other financial assets	9	124.00	251.00
	(e) Other non-current assets	10	435.31	591.82
			<b>42,589.39</b>	<b>38,923.31</b>
<b>(2) Current assets</b>				
	(a) Inventories	11	5,609.69	4,597.45
	(b) Financial Assets			
	(i) Trade receivables	12	9,346.58	9,343.90
	(ii) Cash and cash equivalents	13	22.93	56.59
	(iii) Bank balances other than (ii) above	14	50.85	98.00
	(iv) Loans	15	53.12	87.38
	(v) Other financial assets	16	156.95	0.09
	(c) Other current assets	17	2,025.30	3,518.68
			<b>17,265.42</b>	<b>17,702.10</b>
	<b>Total Assets</b>		<b>59,854.81</b>	<b>56,625.41</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
	(a) Equity Share capital	18	558.56	558.56
	(b) Other Equity	19	30,581.71	24,134.97
			<b>31,140.27</b>	<b>24,693.53</b>



## BALANCE SHEET AS AT MARCH 31, 2019...

				₹ in Lakhs
Sr. No.	Particulars	Note No.	As on 31st March, 2019	As on 31st March, 2018
LIABILITIES				
(1) Non-current liabilities				
	(a) Financial Liabilities			
	(i) Borrowings	20	6,878.11	8,543.95
	(b) Provisions	21	330.88	311.36
	(c) Deferred tax liabilities (Net)	22	6,096.60	4,752.90
			<u>13,305.59</u>	<u>13,608.21</u>
(2) Current liabilities				
	(a) Financial Liabilities			
	(i) Borrowings	23	5,142.12	9,469.79
	(ii) Trade payables	24		
	-Total outstanding dues of Micro enterprises and small enterprises		295.36	221.53
	- total outstanding dues other than Micro and small enterprises		5,623.78	5,220.09
	(iii) Other financial liabilities	25	2,632.77	2,525.27
	(b) Other current liabilities	26	1,172.01	645.68
	(c) Provisions	27	208.82	178.85
	(d) Current Tax Liabilities (Net)	28	334.09	62.46
			<u>15,408.95</u>	<u>18,323.67</u>
Total Equity and Liabilities			<u>59,854.81</u>	<u>56,625.41</u>

See accompanying notes forming part of the financial statements

As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

Ashwin C. Shroff (Chairman) DIN : 00019952  
Bimal V. Mehta (Managing Director) DIN : 00081171  
Atul G. Shroff (Director) DIN : 00019645  
Ninad D. Gupte (Director) DIN : 00027523  
Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

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

₹ in Lakhs

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Revenue from operations	29	59,456.57	36,357.48
	Other income	30	1,780.35	975.37
(I)	<b>Total Income</b>		<b>61,236.92</b>	<b>37,332.85</b>
	<b>EXPENSES</b>			
	Cost of materials consumed	31	30,432.32	18,679.92
	Purchases of Stock-in-Trade	32	7.46	800.02
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	33	(339.20)	(260.53)
	Excise Duty on Sale of Goods		-	243.35
	Employee benefits expenses	34	4,489.62	3,736.61
	Finance costs	35	1,896.09	1,189.64
	Depreciation and amortization expense	4	1,414.25	992.48
	Other expenses	36	13,205.87	8,449.09
(II)	<b>Total expenses</b>		<b>51,106.41</b>	<b>33,830.58</b>
(III)	<b>Profit before tax (I-II)</b>		<b>10,130.51</b>	<b>3,502.27</b>
(IV)	<b>Tax Expense:</b>			
	Current tax		2,293.09	680.49
	Deferred tax and MAT		1,263.72	209.10
	Income Tax adjustments for earlier years		-	(27.61)
			3,556.81	861.98
(V)	<b>Profit for the year (III-IV)</b>		<b>6,573.70</b>	<b>2,640.29</b>
(VI)	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to profit or loss</b>			
	- Remeasurement of Defined benefit plans		14.54	23.85
	- Equity instruments through other comprehensive income		544.45	2,542.53
	<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
	- Remeasurement of Defined benefit plans		(5.03)	(8.25)
	- Equity instruments through other comprehensive income		(74.89)	(462.17)
	<b>Total other comprehensive income</b>		<b>479.07</b>	<b>2,095.95</b>
(VII)	<b>Total comprehensive income for the period (V+VI)</b>		<b>7,052.77</b>	<b>4,736.25</b>
	Earnings per equity share (Refer Note 39)			
(1)	Basic		117.69	47.27
(2)	Diluted		117.69	47.27

See accompanying notes forming part of the financial statements

As per our report of even date

 For CNK & Associates LLP  
 Chartered Accountants  
 FRN : 101961W/W-100036

 Himanshu Kishnadwala  
 Partner  
 Mem. No. : 037391

 Place : Vadodara  
 Date : 27<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

 Ashwin C. Shroff (Chairman) DIN : 00019952  
 Bimal V. Mehta (Managing Director) DIN : 00081171  
 Atul G. Shroff (Director) DIN : 00019645  
 Ninad D. Gupte (Director) DIN : 00027523  
 Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
 Pratik P. Shah (Chief Financial Officer) ACA: 118400

 Place : Vadodara  
 Date : 27<sup>th</sup> May, 2019

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A Cash flow from operating activities</b>		
Profit before income tax	10,130.51	3,502.27
<b>Adjustments for :</b>		
Depreciation and amortisation expense	1,414.25	992.48
Interest Income	(33.34)	(41.85)
Loss Allowance	6.46	2.31
(Gain)/loss on foreign currency transactions/translations	(66.73)	18.15
Interest Expense	1,896.09	1,189.64
Dividend Income	(227.68)	(284.61)
(Gain) / Loss on disposal of Property, Plant and Equipment	5.83	3.54
<b>Operating profit before working capital changes</b>	<b>13,125.39</b>	<b>5,381.93</b>
<b>Change in operating assets and liabilities:</b>		
(Increase) / Decrease in Trade receivables	(87.20)	(2,576.66)
(Increase) / Decrease in Inventories	(1,012.24)	(888.94)
(Increase) / Decrease in Loans	54.26	(135.30)
(Increase) / Decrease in Other Financial Assets	135.94	49.81
(Increase) / Decrease in Other Assets	1,499.97	(2,149.54)
Increase / (Decrease) in Trade Payables	477.53	2,054.94
Increase / Decrease in Other Financial Liabilities	(55.98)	39.83
(Increase) / Decrease in Other Liabilities	590.36	(6.40)
<b>Cash generated from operations :</b>	<b>14,728.04</b>	<b>1,769.66</b>
Direct taxes paid (net)	(1,969.06)	(1,034.92)
<b>Net cash from operating activities (A)</b>	<b>12,758.98</b>	<b>734.74</b>
<b>B Cash flows from investing activities</b>		
Capital expenditure on property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(4,778.36)	(11,947.88)
Proceeds from sale of property, plant and equipment (PPE)	30.73	11.58
Proceeds from sale of investments	0.00	1,266.01
Interest received	33.31	43.02
Dividend received	227.68	284.61
<b>Net cash (used) in Investing activities (B)</b>	<b>(4,486.63)</b>	<b>(10,342.67)</b>
<b>C Cash flow from financing activities :</b>		
Proceeds from long term borrowings	-	7,515.27
Repayments of long term borrowings	(1,577.47)	(990.14)
Increase / (Decrease) in Short Term Borrowings	(4,301.53)	4,948.23
Interest paid	(1,820.98)	(1,240.97)
Dividend paid (including Dividend Distribution Tax)	(606.03)	(605.04)
<b>Net cash (used) in financing activities (C)</b>	<b>(8,306.01)</b>	<b>9,627.36</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019...

₹ in Lakhs

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(33.66)</b>	<b>19.41</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	33.46	24.52
Cash on hand	23.13	12.65
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 13</b>	<b>56.59</b>	<b>37.17</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	4.83	33.46
Cash on hand	18.10	23.13
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 13</b>	<b>22.93</b>	<b>56.59</b>

See accompanying notes forming part of the financial statements.

### As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

### For and on behalf of the Board of Directors

Ashwin C. Shroff (Chairman) DIN : 00019952  
Bimal V. Mehta (Managing Director) DIN : 00081171  
Atul G. Shroff (Director) DIN : 00019645  
Ninad D. Gupte (Director) DIN : 00027523  
Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27th May, 2019

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

## a. Equity Share Capital :

Particulars	₹ in Lakhs
Amounts	
Balance as at the 1st April, 2017	558.56
Changes in equity share capital during the year	-
Balance as at the 31 March, 2018	558.56
Changes in equity share capital during the year	-
Balance as at the 31 March, 2019	558.56

## b. Other Equity:

Particulars	Reserves and Surplus					Other Com- prehensive Income(OCI)	Total Equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	FVOCI - Equity Reserve	
As at 1st April, 2017	19.00	202.75	28.65	3,417.71	6,470.97	9,864.67	20,003.75
Profit for the year	-	-	-	-	2,640.29	-	2,640.29
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	15.60	-	15.60
Other comprehensive income for the year	-	-	-	-	-	2,080.36	2,080.36
Dividends paid including dividend tax thereon	-	-	-	-	(605.04)	-	(605.04)
Transfer of (gain)/loss on FVOCI equity investments	-	-	-	-	972.11	(972.11)	-
<b>As at 31st March, 2018</b>	<b>19.00</b>	<b>202.75</b>	<b>28.65</b>	<b>3,417.71</b>	<b>9,493.93</b>	<b>10,972.92</b>	<b>24,134.97</b>
As at 1st April, 2018	19.00	202.75	28.65	3,417.71	9,493.93	10,972.92	24,134.98
Profit for the year	-	-	-	-	6,573.70	-	6,573.70
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	9.51	-	9.51
Other comprehensive income for the year	-	-	-	-	-	469.56	469.56
Dividends paid including dividend tax thereon	-	-	-	-	(606.03)	-	(606.03)
<b>As at 31st March, 2019</b>	<b>19.00</b>	<b>202.75</b>	<b>28.65</b>	<b>3,417.71</b>	<b>15,471.11</b>	<b>11,442.48</b>	<b>30,581.71</b>

See accompanying notes forming part of the financial statements

As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

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Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### 4 Property, Plant & Equipments

₹ in Lakhs

Particulars	Land-Free Hold	Factory Building	Office Building	Electric Installations	Plant and Equipment	Data Processing Machines	Research & Development Equipment	Furniture and Fixtures	Vehicles	Office equipment	Wind Power Generators	Technical Books	Total
Gross carrying amount As at 01-04-2018	405.32	875.10	122.39	247.81	16,545.44	149.65	605.29	135.57	356.37	49.40	220.50	2.77	19,715.65
Additions	-	839.59	-	69.16	6,022.57	51.18	150.58	16.75	69.65	15.38	-	-	7,234.91
Disposals	-	-	-	-	(57.50)	-	-	-	(43.83)	(1.29)	-	-	(102.63)
Gross carrying amount As at 31-03-2019	405.32	1,714.69	122.39	316.97	22,510.51	200.83	755.87	152.32	382.19	63.49	220.50	2.77	26,847.93
Accumulated depreciation As at 01-04-2018	-	159.42	4.72	44.26	1,363.38	48.04	70.53	48.36	81.46	14.21	19.90	0.36	1,854.64
Charge for the year	-	69.49	2.36	32.96	1,132.38	40.78	43.44	18.72	46.06	8.92	19.05	0.09	1,414.25
On Disposals	-	-	-	-	(30.22)	-	-	-	(34.62)	(1.23)	-	-	(66.07)
Closing accumulated depreciation As at 31-03-2019	-	228.91	7.08	77.22	2,465.54	88.82	113.97	67.08	92.90	21.90	38.95	0.45	3,202.82
Net carrying amount:													
As at 31-03-2019	405.32	1,485.78	115.30	239.75	20,044.96	112.01	641.90	85.25	289.29	41.58	181.55	2.32	23,645.11
As at 31-03-2018	405.32	715.68	117.67	203.55	15,182.06	101.61	534.76	87.21	274.91	35.19	200.60	2.41	17,860.89

#### Notes:

#### (i) Assets pledged as security :

The free hold Land and Buildings except free hold land acquired during the year amounting to ₹ 93.23 Lakhs, all movable Plant and Machineries and other assets are pledged as security on pari passu basis to the bankers under a mortgage. The Company is not allowed to sell these assets to other entity.

(ii) Borrowing cost capitalized during the year amounts Nil (P.Y. ₹ 307.60 Lakhs).

(iii) The Company is in the process for transfer of ownership related to wind power generators.

### 4 Property, Plant & Equipments

₹ in Lakhs

Particulars	Land-Free Hold	Factory Building	Office Building	Electric Installations	Plant and Equipment	Data Processing Machines	Research & Development Equipment	Furniture and Fixtures	Vehicles	Office equipment	Wind Power Generators	Technical Books	Total
Gross carrying amount													
Gross carrying amount As at 01-04-2017	312.09	842.59	122.39	121.51	9,929.09	76.93	492.21	125.65	294.12	34.87	220.50	2.77	12,574.76
Additions	93.23	32.51	-	126.30	6,630.60	72.72	113.48	9.92	65.29	14.53	-	-	7,158.58
Disposals	-	-	-	-	(14.25)	-	(0.40)	-	(3.04)	-	-	-	(17.69)
Gross carrying amount As at 31-03-2018	405.32	875.10	122.39	247.81	16,545.44	149.65	605.29	135.57	356.37	49.40	220.50	2.77	19,715.65
Accumulated depreciation As at 01-04-2017	-	81.99	2.36	21.75	627.23	21.27	34.45	26.54	40.11	6.40	0.85	0.25	863.20
Charge for the year	-	77.43	2.36	22.51	736.91	26.77	36.31	21.82	41.40	7.81	19.05	0.11	992.48
On Disposals	-	-	-	-	(0.76)	-	(0.23)	-	(0.05)	-	-	-	(1.04)
Closing accumulated depreciation As at 31-03-2018	-	159.42	4.72	44.26	1,363.38	48.04	70.53	48.36	81.46	14.21	19.90	0.36	1,854.64
Net carrying amount:													
As at 31-03-2018	405.32	715.68	117.67	203.55	15,182.06	101.61	534.76	87.21	274.91	35.19	200.60	2.41	17,860.89
As at 01-04-2017	312.09	760.60	120.01	99.77	9,303.96	55.65	457.76	99.12	254.01	28.46	219.65	2.52	11,713.55

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### Notes:

#### (i) Assets pledged as security :

The free hold Land and Buildings except free hold land acquired during the year amounting to ₹ 93.23 Lakhs, all movable Plant and Machineries and other assets are pledged as security on pari passu basis to the bankers under a mortgage. The Company is not allowed to sell these assets to other entity.

(ii) Borrowing cost capitalized during the year amounts to ₹ 307.60 Lakhs.

(iii) The Company is in the process for transfer of ownership related to wind power generators.

#### 5. Capital work-in-progress

		₹ in Lakhs
Particulars	As on 31st March, 2019	As on 1st April, 2018
Capital Work in Progress	3,277.65	5,636.75

#### 6 Investment in subsidiary

		₹ in Lakhs
Particulars	As on 31st March, 2019	As on 31st March, 2018

##### Investment in Equity Instruments (Unquoted)

##### Carried at cost (Fully Paid)

Transpek Industry (Europe) Limited		
20 (31st March, 2018: 20) equity shares of GBP 1 each	0.02	0.02
<b>Total</b>	<b>0.02</b>	<b>0.02</b>

#### 7 Investments

		₹ in Lakhs
Particulars	As on 31st March, 2019	As on 31st March, 2018

##### Investments at Fair Value Through Other Comprehensive Income

##### Investment in Equity Instruments (Quoted fully paid up)

1,56,650 (31st March, 2018: 1,56,650) equity shares of Excel Industries Limited	1,797.79	1,357.76
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##### Investment in Equity Instruments (Unquoted fully paid up)

9,49,315 (31st March, 2018: 9,49,315) equity shares of	13,100.55	12,996.12
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Transpek-Silox Industry Private Limited

400 (31st March, 2018: 400) equity share of Co-operative Bank of Baroda Limited	0.10	0.10
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10 (31st March, 2018:10) equity shares of Pragati Sahakari Bank Limited #	0.00	0.00
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<b>Total (A)</b>	<b>14,898.44</b>	<b>14,353.98</b>
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##### Investments carried at amortized cost

12 Years National Defence Certificate	0.01	0.01
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7 Years National Saving Certificate	0.03	0.03
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<b>Total (B)</b>	<b>0.04</b>	<b>0.04</b>
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<b>Total - (A+B)</b>	<b>14,898.48</b>	<b>14,354.02</b>
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Aggregate amount of quoted investments	1,797.79	1,357.76
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Aggregate amount of unquoted investments	13,100.69	12,996.26
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# Amount less than thousand.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 8 Loans

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Unsecured, considered good</b>		
Security Deposit *	189.35	208.28
Deferred Deposit	19.47	20.54
<b>Total</b>	<b>208.82</b>	<b>228.82</b>

\* Security Deposit includes amount of ₹ 150.00 lakhs ( P.Y. ₹ 170.00 lakhs ) to related party.

### 9 Other Financial Assets

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Bank deposits with more than 12 months of original maturity *	124.00	251.00
<b>Total</b>	<b>124.00</b>	<b>251.00</b>

\* The above deposits are maintained for the purpose of Deposit Repayment Reserve Accounts as required under section 73(5) of the Companies Act, 2013 and the rules made there under.

### 10 Other Non Current Assets

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Unsecured, considered good</b>		
Capital Advances (Refer note no 37A(d)(i))	361.30	458.80
<u>Balances with government authorities</u>		
Taxes paid in advance (net of provisions)	54.04	106.45
VAT recoverable	19.97	26.57
<b>Total</b>	<b>435.31</b>	<b>591.82</b>

### 11 Inventories

(At lower of cost and not realizable value)

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Raw materials	2,534.47	1,963.20
Work-in-process	399.59	127.48
Finished goods	2,198.82	2,131.73
Stores and spares	392.98	290.05
Packing Materials	43.68	58.88
Fuel	40.15	26.11
<b>Total</b>	<b>5,609.69</b>	<b>4,597.45</b>

#### Notes

- The above inventories are pledged as securities to the bankers on pari passu basis against the fund based and non fund based credit limits availed or to be availed by the Company.
- During the year and in previous year there are no instances with respect to write down of inventories from cost to net realizable value, nor there have been any reversal of the write down.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 12 Trade Receivables

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Trade Receivables considered Good-Secured	-	-
Trade receivable Unsecured, considered good	9,340.39	9,328.85
Trade Receivables which have significant increase in credit risk	24.37	26.77
Trade Receivables - Credit Impaired	-	-
Less: Loss Allowance	(18.18)	(11.72)
<b>Total</b>	<b>9,346.58</b>	<b>9,343.90</b>

### 13 Cash and cash equivalents

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Balances with banks</b>		
In current accounts	4.83	33.46
Cash in hand	18.10	23.13
<b>Total</b>	<b>22.93</b>	<b>56.59</b>

### 14 Bank balances other than above

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Term deposits with original maturity for more than 3 months but less than 12 months*	1.15	1.15
Balances held as margin money against letters of credit issued by banks and Bill Discounting	1.00	61.78
Balances held in unpaid dividend accounts	27.89	24.81
Balances held in unpaid interest on fixed deposit accounts	20.81	10.26
<b>Total</b>	<b>50.85</b>	<b>98.00</b>

\* Fixed Deposits pledged with Government authorities as at 31st March, 2019 is ₹ 1.15 lakhs (P.Y. ₹ 1.15 lakhs)

### 15 Loans

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Unsecured, considered good		
Advances to employees	33.12	27.38
Security Deposits with related party	20.00	60.00
<b>Total</b>	<b>53.12</b>	<b>87.38</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 16 Other Financial Assets

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
-Forward contracts Outstanding	118.65	-
-Interest accrued on deposits	0.11	0.09
-Other receivables	38.19	
<b>Total</b>	<b>156.95</b>	<b>0.09</b>

### 17 Other Current Assets

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Unsecured, considered good</b>		
Advances to suppliers	244.06	267.73
Advances to subsidiary (Refer Note 43 (E))	-	0.18
Expenses paid in advance	277.91	201.76
Balances with Government authorities	1,503.33	3,049.01
<b>Total</b>	<b>2,025.30</b>	<b>3,518.68</b>

### 18 Share Capital

#### (i) Authorised Share Capital

Particulars	Equity Share Capital		Preference Share Capital	
	Number of shares	(Amount) ₹ in Lakhs	Number of shares	(Amount) ₹ in Lakhs
As at 1st April, 2017	75,00,000	750.00	5,00,000	500.00
Increase /(decrease) during the year		-	-	-
As at 31 March, 2018	75,00,000	750.00	5,00,000	500.00
Increase /(decrease) during the year		-	-	-
As at 31 March, 2019	75,00,000	750.00	5,00,000	500.00

#### (ii) Issued Share Capital

Particulars	Equity Share Capital		Preference Share Capital	
	Number of shares	(Amount) ₹ in Lakhs	Number of shares	(Amount) ₹ in Lakhs
As at 1st April, 2017	55,85,569	558.56	-	-
Increase/(decrease) during the year	-	-	-	-
As at 31 March, 2018	55,85,569	558.56	-	-
Increase/(decrease) during the year	-	-	-	-
As at 31 March, 2019	55,85,569	558.56	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (iii) The rights, preferences and restrictions attaching to each class of shares :

#### Equity shares with voting rights :

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any remaining assets of the company, after distribution of all preferential amounts and repayment towards Preference share holders, if any.

### (iv) Shares held by shareholders each holding more than 5% of the shares

Shareholders	As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	Percentage	No. of Shares	Percentage
Anshul Speciality Molecules Private limited	13,76,440	24.64%	13,76,440	24.64%
Kamaljiyot Investments Limited	7,02,703	12.58%	7,02,703	12.58%
Shruti A. Shroff	3,07,225	5.50%	3,05,725	5.47%

### (v) Details of Shares bought back by the company in the immediately preceding five years from the date of Balance sheet

The Company has bought back 2,86,471 shares. The details of the same are as under:

Year	Shares (Number)	Face Value per share	Total Face Value (₹ in Lakhs)	Premium Per Share ₹	Total Premium (₹ in Lakhs)	Grand Total (₹ in Lakhs)
2016-17	2,86,471	10	28.64	461.25	1,321.33	1,349.97

### 19 Other Equity

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
Capital Reserve	19.00	19.00
Capital Redemption Reserve	28.65	28.65
Securities Premium Account	202.75	202.75
General Reserve	3,417.71	3,417.71
Equity Instruments through Other Comprehensive Income	11,442.48	10,972.92
Retained Earnings	15,471.11	9,493.94
<b>Total</b>	<b>30,581.71</b>	<b>24,134.97</b>

#### (i) Capital Reserve (On amalgamation of subsidiary company)

Opening/closing balance	19.00	19.00
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#### (ii) Capital Redemption Reserve (On account of buyback of Shares)

Opening/closing balance	28.65	28.65
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#### (iii) Securities Premium Account (Excess of face value of the equity shares)

Opening/closing balance	202.75	202.75
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#### (iv) General Reserve (transfer of a portion of the net profit)

Opening/closing balance	3,417.71	3,417.71
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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

₹ in Lakhs		
Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>(v) Equity Instruments through Other Comprehensive Income (Refer below note)</b>		
As per last Balance Sheet	10,972.92	9,864.67
Add/Less : Additions/(Deletions) during the year	469.56	2,080.36
Transfer of (gain)/loss on FVOCI equity investments	-	(972.11)
<b>Balance at the end of the year</b>	<b>11,442.48</b>	<b>10,972.92</b>
<b>(vi) Retained Earnings</b>		
Opening balance	9,493.94	6,470.97
Add: Net Profit for the Year	6,573.70	2,640.29
Add/(Less): Remeasurement of the Net Defined benefit liability/asset, net of tax effect	9.51	15.60
Add: Transfer to retained earnings from FVOCI equity investments, (net of tax)	-	972.11
Less : Dividends paid including dividend tax thereon	(606.03)	(605.04)
<b>Closing balance</b>	<b>15,471.11</b>	<b>9,493.94</b>
<b>Total</b>	<b>30,581.71</b>	<b>24,134.97</b>

Note: Equity instrument held at FVOCI: The company has elected to recognise changes in the fair value of certain investment in equity instruments in other comprehensive income. This amount will be reclassified to retained earnings on de-recognition of equity instrument.

### 20 Borrowings

₹ in Lakhs		
Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Secured - at amortized cost</b>		
<b>(a) Term Loans</b>		
- from Banks (Refer note (i) and (ii))	4,007.24	5,931.52
<b>Unsecured - at amortized cost</b>		
<b>(a) Deposits</b>		
- Deposits from members (Refer note - (iii) and (iv) below)	2,620.87	2,267.43
<b>(b) Unsecured Loans from Related Parties. ( Refer note-(v) below)</b>		
- Inter Corporate Deposits	-	75.00
- Deposits from Directors	250.00	270.00
	250.00	345.00
<b>Total</b>	<b>6,878.11</b>	<b>8,543.95</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (i) Nature of security:

The above Term loans/ Capex loans are secured by first charge by way of hypothecation of all the movable machinery financed or to be financed under the said term/capex loans by the respective banks. The above loans are further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis. They are further secured by second charge by way of hypothecation over entire current assets including stock and book debts with current charge holders on pari passu basis. The Corporate working capital term loans are secured by way of pari passu first hypothecation charge over entire current assets of the company, present and future, ranking pari passu with other term lenders.

### (ii) Maturity profile of Secured Term loans are set out below:

(Interest rate range from 8.75 % to 10.80 %) ₹ in lakhs

Particular	Term loans - from Banks
1-2 years	1,466.67
2-3 years	1,300.00
3-4 years	1,300.00

(iii) Deposits from members are repayable within a period of 2-3 years from the date of acceptance. The interest rate for the same ranges from 8.75% to 10.20%

(iv) Deposits from members includes deposits from related parties amounting to as at 31st March, 2019 : ₹ 29.61 lakhs (PY: ₹ 38.60 lakhs)

(v) Intercompany Deposits and unsecured Loan from Related Parties aggregating to ₹ 250.00 lakhs (P.Y. ₹ 345.00 lakhs) are repayable within a period of 1-2 years. The interest rate for the same is 9.90 %.

## 21 Provisions

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
<b>Provision for employee benefits</b>		
Provision for compensated absences (Refer note 40 )	330.88	311.36
<b>Total</b>	<b>330.88</b>	<b>311.36</b>

## 22 Deferred tax( assets) / Liabilities net

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
<b>Deferred Tax Liability</b>		
Related to Property, Plant and Equipments and Intangible asset	3,285.29	2,313.32
Financial Asset at fair value through other comprehensive income	2,938.47	2,863.59
Remeasurements of the defined benefit plans	5.03	8.25
<b>Total</b>	<b>6,228.79</b>	<b>5,185.16</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 22 Deferred tax( assets) / Liabilities net

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Deferred Tax Assets</b>		
Provision For Employee Benefit	125.90	121.79
Unused tax credit (MAT)	-	305.38
Others	6.29	5.09
<b>Total</b>	<b>132.19</b>	<b>432.26</b>
<b>Deferred tax (assets) / liabilities net</b>	<b>6,096.60</b>	<b>4,752.90</b>

### 23 Borrowings

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Secured - at amortized cost</b>		
(a) Loans repayable on demand		
- from banks	4,136.32	7,004.66
(b) Acceptances from Bank	1,005.80	1,465.13
(Refer note (i) below)		
<b>Unsecured - at amortized cost</b>		
(a) Deposits		
- Deposits from Directors (Refer note (ii) below)	-	1,000.00
<b>Total</b>	<b>5,142.12</b>	<b>9,469.79</b>

(i) The above Cash/ Export credit facilities, Short term loan, Buyers credit and Bills discounting from Consortium bankers i.e. State Bank of India, Axis Bank Limited, Bank of Baroda and IDBI Bank Limited are secured by first charge by way of hypothecation of stocks of raw materials, packing materials, consumable stores, finished goods, semi-finished goods and book debts of the company, on pari passu basis. The aforesaid credit facilities are further secured by way of charge on all the fixed assets of the company ranking second and subservient for the charges created in respect of borrowings obtained from them. The interest rate for the same ranges from 9.05 % to 9.65 %.

(ii) The Interest rate for unsecured short term loan and deposit from director is 9.90%.

### 24 Trade Payables

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Trade payables</b>		
- Total outstanding dues of Micro enterprises and small enterprises ( Refer note 43 (A) )	295.36	221.53
- total outstanding dues other than Micro and small enterprises	5,623.78	5,220.09
<b>Total</b>	<b>5,919.15</b>	<b>5,441.62</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 25 Other Financial Liabilities

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
Current maturities of long-term debt (Refer Note (i) below)	1,633.33	1,686.15
Current maturities of unsecured deposits ( Refer Note(ii) below)	745.97	604.78
Interest accrued but not due on borrowings	203.37	128.26
Unpaid dividend(*)	27.89	24.81
Unpaid matured deposits and interest accrued thereon	4.84	42.53
Security deposits	11.05	11.05
Forward contracts outstanding	-	27.69
Payable to Subsidiary	6.32	-
<b>Total</b>	<b>2,632.77</b>	<b>2,525.27</b>

(\*) To be deposited with Investor Education and Protection Fund as and when they became due.

**Note (i):** Current maturities of long-term debt (Refer Notes (i) in Note 20 - Long-term borrowings for details of security and guarantee):

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
(a) Secured Term loans from banks:	1,633.33	1,686.15
(The Interest rate for the same ranges from 8.75% to 10.80%)		
<b>Total</b>	<b>1,633.33</b>	<b>1,686.15</b>

**Note (ii):** Current maturities of unsecured deposits

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
Current maturities of unsecured deposits	745.97	604.78
(The Interest rate for the same ranges from 8.75% to 10.20 %)		
<b>Total</b>	<b>745.97</b>	<b>604.78</b>

(i) Includes deposits from related parties amounting to as at 31 March, 2019 : ₹ 104.00 lakhs (P.Y : ₹ 65.00 lakhs)

### 26 Other Current Liabilities

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
Advances from customers	219.65	7.98
Statutory dues payable	36.69	51.83
Salary and Wages payable	334.83	244.12
Other payables	580.84	341.75
<b>Total</b>	<b>1,172.01</b>	<b>645.68</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 27 Provisions

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Provision for employee benefits</b>		
- Provision for compensated absences (Refer Note 40)	25.19	13.56
- Provision for gratuity (net) (Refer Note 40)	49.32	53.07
- Provision for Bonus/Ex-gratia	134.31	112.22
<b>Total</b>	<b>208.82</b>	<b>178.85</b>

### 28 Current Tax Liabilities

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Provision for income tax (Net of Advance Tax)	334.09	62.46
<b>Total</b>	<b>334.09</b>	<b>62.46</b>

### 29 Revenue from Operations

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of Products	59,233.41	36,152.45
Other Operating revenues	223.16	205.03
<b>Total</b>	<b>59,456.57</b>	<b>36,357.48</b>

Note : The revenue from operations for the previous year, for the period of 1st April 2017 to 30th June 2017 includes excise duty recovered on sales of ₹ 243.33 lakhs.

#### Note 29 (i) Other operating revenue comprises of :

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Job Work Income	-	100.99
Income from sale of scrap and other items	101.29	57.09
Income from Wind Power	121.87	46.95
<b>Total</b>	<b>223.16</b>	<b>205.03</b>

### 30 Other Income

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income	33.34	41.85
Dividend Income		
( From equity Instruments designated at fair value through other comprehensive income)	227.68	284.61
Other Non-Operating Income (net of expenses directly attributable to such income)	12.68	3.88
Export incentives and duty drawbacks	1,506.65	542.31
Net gain on foreign currency transactions/translations	-	102.72
<b>Total</b>	<b>1,780.35</b>	<b>975.37</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### Note- 30 (i) Interest Income Comprises of

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Financial Assets (measured at amortized cost)		
Banks deposits	12.32	25.86
Other deposits	21.02	5.97
Interest on Tax refunds	-	10.02
<b>Total</b>	<b>33.34</b>	<b>41.85</b>

### Note- 30(ii) Other non- operating income comprises of :

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Insurance claims	9.36	0.98
Sale of Technical know how	3.32	0.86
Commission Income	-	0.66
Balances written back	-	1.37
<b>Total</b>	<b>12.68</b>	<b>3.88</b>

### 31 Cost of materials consumed

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Raw Material Consumption</b>		
Opening Stock	1,963.20	1,400.52
Add: Purchases	31,003.59	19,242.60
	<b>32,966.79</b>	<b>20,643.12</b>
Less: Closing stock	2,534.47	1,963.20
<b>Cost of Material Consumed</b>	<b>30,432.32</b>	<b>18,679.92</b>
<b>Total</b>	<b>30,432.32</b>	<b>18,679.92</b>

### 32 Purchase of Traded goods

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Organic Chemicals	7.46	800.02
<b>Total</b>	<b>7.46</b>	<b>800.02</b>

### 33 Changes in Inventories of finished goods, Work in Progress and Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Inventories at the beginning of the year:</b>		
Finished Goods	2,131.73	1,960.10
Semi Finished Goods	127.48	38.57
	<b>2,259.21</b>	<b>1,998.67</b>
<b>Inventories at the end of the year:</b>		
Finished Goods	2,198.82	2,131.73
Semi Finished Goods	399.59	127.48
	<b>2,598.41</b>	<b>2,259.21</b>
<b>Net Change in Inventories</b>	<b>(339.20)</b>	<b>(260.53)</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 34 Employee Benefit expenses

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, wages , bonus, allowances ,etc.	3,659.24	3,002.82
Contributions to Provident and other funds	481.47	450.02
Staff welfare expenses	348.91	283.77
<b>Total</b>	<b>4,489.62</b>	<b>3,736.61</b>

### 35 Finance Costs

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest costs:		
(i) Interest on borrowings	1,543.56	909.81
(ii) Others	60.87	20.30
Other borrowing costs	291.66	259.53
<b>Total</b>	<b>1,896.09</b>	<b>1,189.64</b>

### 36 Other Expenses

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Consumption of stores and spare parts	161.63	171.15
Power and fuel	3,763.71	2,179.61
Consumption of Packing Materials	380.81	521.68
Rent (Refer Note No 41 (C))	842.10	266.78
<b>Repairs and maintenance</b>		-
Buildings	40.19	33.19
Machineries	949.61	535.10
Others	267.14	133.51
Insurance	123.96	74.81
Rates and taxes (other than taxes on income)	10.38	10.98
Freight and Forwarding charges	3,954.22	2,309.19
Contractor's Charges	301.84	196.00
Commission	411.56	450.96
Travelling and Conveyance	261.73	281.15
Legal and Professional charges	323.22	288.15
Sales Promotion Expenses	88.82	76.71
Payment to Auditors	12.54	14.31
Director Sitting Fees	17.50	19.90
Non Executive Director's Commission	103.76	48.93
Donation and contribution to charitable organizations (Refer Note no.43(D))	199.82	152.66
Loss on disposal of assets(Net)	5.83	3.54
Net loss on foreign currency transactions/translations	17.77	-
Corporate Social Responsibility expenditure (Refer Note no.43 (C))	101.33	104.21
Loss Allowance	6.46	2.31
Miscellaneous expenses	859.94	574.26
<b>Total</b>	<b>13,205.87</b>	<b>8,449.09</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 37 Additional information to the financial statements

#### (A) Contingent Liabilities and Capital Commitments

₹ in Lakhs		
Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>(a) Contingent Liabilities</b>		
(i) Claims against the company not acknowledged as debts (on account of outstanding law suits)	13.24	370.38
<b>(b) No provision has been made for following demands raised by the authorities since the company has reason to believe that it would get relief at the appellate stage as the said demand are excessive and erroneous</b>		
(i) Disputed Income tax Liability Against which amount already paid as at 31st March, 2019 ₹13.16 lakhs (As at 31st March, 2018 ₹ 13.16 lakhs)	30.12	59.16
(ii) Disputed Sales tax Liability Against which amount already paid as at 31st March, 2019 ₹ 6.63 lakhs (As at 31st March, 2018 ₹ 6.63 lakhs)	6.63	6.63
(iii) Disputed Excise & Service Tax Liability Against which amount already paid as at 31st March, 2019 ₹ 108.66 lakhs (As at 31st March, 2018 ₹ 21.94 lakhs)	789.23	510.26
<b>Total</b>	<b>839.22</b>	<b>946.43</b>
<b>(c) Guarantees given by Banks to third parties on behalf of the company</b>	<b>250.98</b>	<b>272.81</b>
<b>(d) Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account & not provided for Net of Advances as at 31st March, 2019 ₹ 361.30 lakhs (As at 31st March, 2018 ₹ 458.80 lakhs)		
- Property, Plants & Equipments	987.07	1,849.00
(ii) Other Commitments -		
(a) The company has a commitment to pay ₹ 6.00 Lakhs Per Month (subject to indexation) to Mr. Atul Shroff (Director) during his lifetime and thereafter ₹ 3.00 Lakhs Per Month to his spouse during her lifetime.		
(b) The Company has entered into an agreement with TML Industries Limited whereby the company has to pay fixed amount of ₹ 60.00 Lakhs on monthly basis against the entire facility reserved by the above related party exclusively for the company for carrying manufacturing activities of its products		

#### (B) Auditor's Remuneration

₹ in Lakhs		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Audit Fees (including for quarterly limited review)	11.00	11.00
For certification	1.02	1.30
Fees for other services	-	1.50
Out of pocket expenses	0.52	0.51
<b>Total</b>	<b>12.54</b>	<b>14.31</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 38 TAX EXPENSE

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,293.09	680.49
Income Tax adjustments for earlier years	-	(27.61)
	<u>2,293.09</u>	<u>652.88</u>
Deferred tax		
Deferred tax for the year*	<u>1,263.72</u>	<u>209.10</u>
	<u>1,263.72</u>	<u>209.10</u>
	<u>3,556.81</u>	<u>861.99</u>

\*excludes below tax impact on Other Comprehensive Income

#### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Profit before income tax expense	10,130.51	3,502.27
<b>Tax at the Indian tax rate of 34.94% (2017-2018 - 21.34% #)</b>	<u>3,540.01</u>	<u>747.44</u>
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:"		
Tax-exempt income (Dividend)	(78.16)	(59.96)
Non-deductible tax expenses		
(Disallowances Under Section 14A and 43B of the Income Tax Act, 1961 and Capital Expenditure, Depreciation expense)	269.66	467.49
Deductible tax expenses (Allowances Under Section 35(2AB))	(112.87)	-
Deductible tax expenses (Allowances Under Section 43B)	(14.07)	-
Unused tax credit (MAT)	-	(305.38)
Others	(47.76)	12.40
<b>Income Tax Expense</b>	<b>3,556.81</b>	<b>861.99</b>

# In the Previous year ended 31st March, 2018, the Company fell under the provision of Minimum Alternate Tax u/s 115JB and the applicable Indian Statutory tax rate was 21.34%.

### 39 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year.

#### i. Profit attributable to Equity holders of Company

	₹ In lakhs	
	31st March, 2019	31st March, 2018
<b>Profit attributable to equity share holders of the Company for basic and diluted earnings per share</b>	<b>6,573.70</b>	<b>2,640.29</b>
<b>ii. Weighted average number of ordinary shares</b>		
Weighted average number of shares as at 31st March for basic and diluted earnings per shares	55,85,569	55,85,569
Basic/Diluted earnings per share (in ₹)	117.69	47.27

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 40 Employee benefits

#### (a) Defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The following tables summarises the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

#### Risks associated with defined benefit plan

**Interest rate risk:** A fall in the discount rate which is linked to the Government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

#### Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2019. (₹ in lakhs)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 40 Employee benefits

a) Reconciliation in present value of obligations (PVO) - defined benefit obligation:	Gratuity - Funded as on	
	31st March, 2019	31st March, 2018
<b>PVO at the beginning of the year</b>	<b>1,227.03</b>	<b>1,276.09</b>
Current service cost	67.48	62.05
Interest cost	94.84	94.30
Actuarial (Gains)/Losses on obligations- Due to Change in Financial Assumption	(3.77)	(31.64)
Actuarial (Gains)/Losses on obligations- Due to Experience	(7.73)	10.32
Benefits paid	(49.11)	(184.09)
Accrued Payment	-	-
<b>PVO at the end of the year</b>	<b>1,328.74</b>	<b>1,227.03</b>

b) Change in fair value of plan assets:	Gratuity - Funded as on	
	31st March, 2019	31st March, 2018
<b>Fair value of plan assets at the beginning of the year</b>	<b>1,173.97</b>	<b>1,188.08</b>
Interest Income	90.74	87.79
Return on Plan Assets, Excluding Interest Income	3.03	2.54
Contributions by the employer	60.79	79.65
( Benefits paid from the Fund )	(49.11)	(184.09)
<b>Fair value of plan assets at the end of the year</b>	<b>1,279.42</b>	<b>1,173.97</b>

c) Reconciliation of PVO and fair value of plan assets:	Gratuity - Funded as on	
	31st March, 2019	31st March, 2018
PVO at the end of period	1,328.74	1,227.03
Fair value of planned assets at the end of year	1,279.42	1,173.97
Funded status	(49.32)	(53.07)
Net asset/(liability) recognised in the balance sheet	(49.32)	(53.07)

d) Net Interest Cost for Current Period	31st March, 2019		31st March, 2018
Present Value of Benefit Obligation at the Beginning of the Period	1,227.03		1,276.09
(Fair Value of Plan Assets at the Beginning of the Period)	(1,173.96)		(1,188.08)
Net Liability/ ( Asset) at the Beginning	53.07		88.01
Interest cost	94.84		94.30
( Interest Income )	(90.74)		(87.79)
Net Interest Cost for Current Period	4.10		6.51

e) Expenses Recognized in the Statement of Profit or Loss for Current Period	31st March, 2019		31st March, 2018
Current Service Cost	67.48		62.05
Net Interest Cost	4.10		6.51
<b>Expenses Recognized</b>	<b>71.58</b>		<b>68.56</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

<b>f) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Actuarial ( Gains) Losses on Obligation for the Period	(11.50)	(21.32)
Return on Plan Assets, Excluding Interest Income	(3.03)	(2.54)
Net ( Income)/ Expense For the Period Recognized in OCI	(14.53)	(23.86)

<b>g) Balance Sheet Reconciliation</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Opening Net Liability	53.07	88.01
Expense Recognized in Statement of Profit Or Loss	71.58	68.56
Expense Recognized in OCI	(14.53)	(23.86)
(Employer's Contribution )	(60.79)	(79.65)
<b>Net Liability ( Assets) Recognized in the Balance Sheet</b>	<b>49.33</b>	<b>53.07</b>

<b>h) Category of Assets</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Insurance Fund	1,279.42	1,173.97
<b>Total</b>	<b>1,279.42</b>	<b>1,173.97</b>

<b>i) Other Details</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
No of Active Members	581.00	576.00
Per Month Salary for Active Members	132.09	120.46
Weighted Average Duration of the Projected Benefit Obligation	9.00	9.00
Average Expected Future Service	14.00	14.00
Projected Benefit Obligation	1328.74	1227.03
Prescribed Contribution for Next Year (12 Months)	121.87	120.45

<b>j) Net Interest Cost for Next Year</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Present Value of Benefit Obligation at the End of the Period	1328.74	1227.03
( Fair Value of Plan Assets at the End of the Period )	(1,279.42)	(1,173.97)
Net Liability/(Asset ) at the End of the Period	49.32	53.06
Interest Cost	103.24	94.84
( Interest Income )	(99.41)	(90.74)
<b>Net Interest Cost for Next Year</b>	<b>3.83</b>	<b>4.10</b>

<b>k) Expenses Recognized in the statement of Profit or Loss for Next Year</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Current Service Cost	72.55	67.48
Net Interest	3.83	4.10
<b>Expenses Recognized</b>	<b>76.38</b>	<b>71.58</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

l) Major category of assets as at:	Gratuity - Funded as on	
	31st March, 2019	31st March, 2018
Insurer Managed funds	1,279.42	1,173.97

m) Assumption used in accounting for the gratuity plan:	Gratuity - Funded as on	
	31st March, 2019	31st March, 2018
Expected return on plan assets (%)	7.77%	7.73%
Rate of Discounting	7.77%	7.73%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate after Employment	N.A	N.A

**Note 1:** Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

**Note 2:** The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Note 3:** 100% of the plan assets are invested in group gratuity scheme offered by LIC of India.

₹ in Lakhs		
Maturity Analysis of the Benefit Payments : From the Fund		
	31st March, 2019	31st March, 2018
1st Following Year	111.94	76.79
2nd Following Year	76.25	85.51
3rd Following Year	121.93	89.17
4th Following Year	101.7	115.61
5th Following Year	90.81	97.04
Sum of Years 6 to 10	866.05	768.55
Sum of Years 11 and above	1338.04	-

### Sensitivity analysis

₹ in Lakhs		
Particulars		
	31st March, 2019	31st March, 2018
Projected Benefit Obligation on Current Assumptions	1328.74	1127.03
Delta Effect of +1 % Change in Rate of Discounting	(88.56)	(85.52)
Delta Effect of -1 % Change in Rate of Discounting	100.60	97.24
Delta Effect of +1 % Change in Rate of Salary Increase	99.38	96.03
Delta Effect of -1 % Change in Rate of Salary Increase	(89.15)	(86.07)
Delta Effect of +1 % Change in Rate of Employee Turnover	(2.04)	(2.18)
Delta Effect of -1 % Change in Rate of Employee Turnover	2.22	2.37

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in Lakhs			
	Note	31st March, 2019	31st March, 2018
<b>Total employee benefit liabilities</b>			
Non-current	-	-	-
Current	27	49.32	53.07

### (b) Other long term Benefit:

The Company's Long Term benefits includes Leave Encashment payable at the time of retirement subject to, policy of maximum leave accumulation of company. The scheme is not funded.

### Changes in the present value of the obligation in respect of leave encashment

₹ in Lakhs		
Particulars	31st March, 2019	31st March, 2018
Obligation at the year beginning	324.92	340.85
Actuarial (gains) / losses on obligation	31.15	(15.93)
Obligation at the year end	356.07	324.92

### (c) Defined Contribution plans:

Amounts recognized as expense for the period towards contribution to the following funds:

₹ in Lakhs		
Particulars	31st March, 2019	31st March, 2018
<b>Employers contribution to:</b>		
-Provident Fund	209.46	197.38
-Gujarat Labour Welfare Fund	0.13	0.06
-Superannuation Fund	195.94	180.70
<b>Total</b>	<b>405.53</b>	<b>378.14</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 41 Disclosures under Indian Accounting Standards

#### (A) Disclosure pursuant to Ind AS 115 - Revenue from Contracts with Customers:

##### Disaggregation of revenue

##### - Based on Geography

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>Sale of Products</b>		
- Domestic Sales	10,881.15	10,901.67
- Export Sales	48,352.26	25,250.78

#### (B) Segment Information

The segment information is presented under the Notes forming part of the Consolidated Financial Statements as required under the Ind AS - 108 on "Operating Segment".

#### (C) Operating Lease:

The Company has cancellable operating leasing arrangements related to office premises and equipments which are renewable by mutual consent and lease rentals payable are accordingly charged as rent. During the period, the Company has taken office premises under cancellable operating lease; the rentals for which are charged to the Statement of Profit and Loss for the period. The lease term is for 11 months for office premises and lease term for equipments range from one to three years and there are no sub-leases.

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
Annual lease rent of office premises	7.07	7.68
Annual lease rent of equipments	835.03	259.10

### 42 Related Party Disclosures:

#### (i) Names of related parties and description of relationship with whom transactions have taken place:

Subsidiary Companies	Transpek Industry (Europe) Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	Excel Industries Limited Transpek Silox Industry Private Limited TML Industries Limited Anshul Specialty Molecules Private Limited Anshul Life Science Madison Investments Private Limited Agrocel Industries Private Limited Transchem Agritech Private Limited Kamaljiyot Investments Limited Nectar Crop Sciences Private Limited (upto 15th December 2017) Shroffs Foundation Trust
Key Management Personnel	Bimal Vasantlal Mehta (Managing Director) Ashwin Champraj Shroff (Chairman and Non Executive Director) Atul Govindji Shroff (Non- Executive Director) Ravi Ashwin Shroff (Non Executive Director)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

Dipesh Kantisen Shroff (Non Executive Director)  
Ninad Dwarkanath Gupte (Independent Director)  
Dr. Bernd Dill (Independent Director)  
Nimish Upendrabhai Patel (Independent Director)  
Geeta Amit Goradia (Independent Director)  
Hemant Jayantiprasad Bhatt (Independent Director)  
Pratik Prakash Shah (Chief Financial Officer)  
Alak Deepak Vyas (Company Secretary)

Relatives of key management personnel	Vishwa Atul Shroff Shruti Atul Shroff Minoti Ninad Gupte Hanny Bimal Mehta Kumud Vasantlal Mehta Kavit Bimal Mehta Parul Haresh Benani
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### (ii) Key management personnel compensation

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
Short term employee benefits	247.29	554.68
Post employment benefits	27.67	39.94
Long term employee benefits	38.13	64.32
<b>Total compensation</b>	<b>313.09</b>	<b>658.94</b>

### (iii) Particulars of Transactions with Related Parties

Transactions with related parties for the year ended 31st March, 2019 are as follows: (Previous Year's figures are shown in brackets)

Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	₹ in Lakhs	
				Total	
Sale of Goods	-	1,216.15	-	1,216.15	
	-	(1,011.42)	-	(1,011.42)	
Services Rendered	-	3.32	-	3.32	
	-	(0.86)	-	(0.86)	
Windmill Income		121.87	-	121.87	
		(46.95)	-	(46.95)	
Dividend Received	-	223.68	-	223.68	
	-	(280.97)	-	(280.97)	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

₹ in Lakhs

Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
Interest Received	-	7.79	-	7.79
	-	(2.51)	-	(2.51)
Sale of Shares	-	-	-	-
	-	-	(1,266.00)	(1,266.00)
Processing Charges	-	992.58	-	992.58
	-	(720.00)	-	(720.00)
Purchase of Goods	-	7.46	-	7.46
	-	(767.99)	-	(767.99)
Purchase of Property, Plant & Equipment	-	11.25	-	11.25
	-	-	-	-
Dividend Paid	-	69.83	56.78	126.61
	-	(69.83)	(42.38)	(112.21)
Commission Paid	-	63.93	-	63.93
	-	(54.27)	-	(54.27)
Donations Paid	-	99.97	-	99.97
	-	(101.51)	-	(101.51)
Corporate Social Responsibility Expense	-	83.51	-	83.51
	-	(62.07)	-	(62.07)
Interest Paid	-	12.58	57.86	70.44
	-	(11.88)	(33.78)	(45.66)
Consumable Item Purchase	-	0.37	-	0.37
	-	-	-	-
Legal and Professional Services	-	-	0.20	0.20
	-	-	-	-
Reimbursement charged to the company	58.49	489.77	-	548.26
	(51.90)	(268.33)	-	(320.23)
Remuneration to Executive Director	-	-	-	-
	-	-	(129.35)	(129.35)
Managerial Remuneration(*)	-	-	274.96	274.96
	-	-	(440.18)	(440.18)
Other Benefit to Director	-	-	72.68	72.68
	-	-	(24.00)	(24.00)
Commission Paid to Independent and Non-Executive Directors	-	-	48.00	48.00
	-	-	(44.25)	(44.25)
Directors' Sitting Fees	-	-	16.10	16.10
	-	-	(18.30)	(18.30)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

				₹ in Lakhs
Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
CSR Meeting Fees	-	-	1.40	1.40
	-	-	(1.60)	(1.60)
Capital Advance Given	-	42.00	-	42.00
	-	(180.00)	-	(180.00)
Security Deposit Given	-	-	-	-
	-	(150.00)	-	(150.00)
Security Deposit Received Back	-	60.00	-	60.00
	-	(20.00)	-	(20.00)
Trade Advance Received	-	-	-	-
	-	(47.50)	-	(47.50)
Inter Corporate Deposit Taken	-	500.00	-	500.00
	-	(1,000.00)	-	(1,000.00)
Inter Corporate Deposit Repaid	-	535.00	-	535.00
	-	(1,000.00)	-	(1,000.00)
Deposit Taken	-	-	-	-
	-	-	(1,000.00)	(1,000.00)
Deposit Repaid	-	-	1,029.75	1,029.75
	-	-	-	-

\* As the liabilities for leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors is not separately determined and hence are not included in above.

Balance Outstanding at the year end:				₹ in Lakhs
Accounts Payable	6.32	131.19	-	137.52
	-	(162.56)	-	(162.56)
Accounts Receivable including Trade Advance	-	604.02	-	604.02
	(0.18)	(467.89)	-	(468.07)
Agency Deposit	-	4.00	-	4.00
	-	(4.00)	-	(4.00)
Deposits	-	75.00	332.86	407.86
	-	(110.00)	(1,338.36)	(1,448.36)
Investment in Shares	0.02	517.72	-	517.74
	(0.02)	(517.72)	-	(517.74)
Commission payable to Managing Director	-	-	105.23	105.23
	-	-	(51.47)	(51.47)
Commission payable to Independent and Non Executive Directors	-	-	105.23	105.23
	-	-	(68.76)	(68.76)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (iv) Significant transactions with related parties:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>A) Transactions during the year:</b>		
<b>Sale of Goods</b>		
Nectar Crop Sciences Private Limited	-	169.59
Transpek Silox Industry Private Limited	1,164.17	830.82
<b>Services Rendered</b>		
Transchem Agritech Limited	3.32	0.86
<b>Windmill Income</b>		
TML Industries Limited	121.87	46.95
<b>Dividend Received</b>		
Transpek Silox Industry Private Limited	204.10	251.57
<b>Interest Received</b>		
TML Industries Limited	7.79	2.51
<b>Sale of Shares of Agrocel Industries Private Limited</b>		
Dipesh K. Shroff	-	633.00
Shruti A. Shroff	-	316.50
Atul G. Shroff	-	316.50
<b>Processing Charges</b>		
TML Industries Limited	990.92	720.00
<b>Purchase of Goods</b>		
TML Industries Limited	7.46	767.99
<b>Purchase of Property, Plant &amp; Equipment</b>		
Transchem Agritech Limited	11.25	-
<b>Dividend Paid</b>		
Shruti A. Shroff	27.52	27.51
Kamaljyot Investments Limited	63.24	63.24
Ashwin C. Shroff	14.75	0.35
<b>Commission Paid</b>		
Anshul Life Science	63.93	54.27
<b>Donation Paid</b>		
Shroffs Foundation Trust	99.97	101.51
<b>Corporate Social Responsibility Expense</b>		
Shroffs Foundation Trust	83.51	62.07

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (iv) Significant transactions with related parties:

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>Interest Paid</b>		
Ashwin C. Shroff	24.75	24.75
Agrocel Industries Private Limited	10.78	7.62
Atul G. Shroff	26.43	-
<b>Reimbursements charged to the company (expense)</b>		
TML Industries Limited	476.86	261.77
Transpek Industry (Europe) Limited	58.49	51.90
<b>Remuneration</b>		
Atul G. Shroff	17.82	382.96
Bimal V.Mehta	211.34	210.57
Pratik P Shah	33.31	28.61
Alak D Vyas	12.49	9.55
<b>Other Benefit to Directors</b>		
Atul G. Shroff	72.68	24.00
<b>Commission Paid to Independent and Non-Executive Directors</b>		
Ashwin C. Shroff	6.00	6.00
Dipesh K. Shroff	6.00	6.00
Ravi A. Shroff	5.50	5.00
Ninad D. Gupte	7.50	7.25
Dr. Bernd Dill	5.00	5.00
Nimish U. Patel	6.00	5.00
Geeta A. Goradia	6.00	5.00
Hemant J. Bhatt	6.00	5.00
<b>Director Sitting Fees</b>		
Atul G Shroff	2.10	0.80
Ashwin C. Shroff	1.00	1.00
Ravi A. Shroff	0.80	0.80
Dr. Bernd Dill	1.20	1.20
Geeta A. Goradia	0.80	2.00
Hemant J. Bhatt	3.10	3.70
Nimish U. Patel	3.30	3.20
Ninad D. Gupte	1.40	2.80
Dipesh K. Shroff	2.40	2.80

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (iv) Significant transactions with related parties:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>CSR Meeting Fees</b>		
Atul G Shroff	0.40	0.40
Dipesh K. Shroff	0.40	0.40
Geeta A. Goradia	0.20	0.40
Nimish U. Patel	0.40	0.40
<b>Legal &amp; Professional Charges</b>		
Shruti A. Shroff	0.20	-
<b>Consumable Items Purchase</b>		
Agrocel Industries Private Limited	0.37	-
<b>Capital Advance Given</b>		
TML Industries Limited	42.00	180.00
<b>Security Deposit Given</b>		
Transchem Agritech Private Limited	-	150.00
<b>Security Deposit Received Back</b>		
TML Industries Limited	60.00	20.00
<b>Trade Advance Received</b>		
TML Industries Limited	-	47.50
<b>Inter Corporate Deposit Taken</b>		
Agrocel Industries Private Limited	500.00	1,000.00
<b>Inter Corporate Deposit Repaid</b>		
Agrocel Industries Private Limited	500.00	1,000.00
<b>Deposit Taken</b>		
Atul G. Shroff	-	1,000.00
<b>Deposit Repaid</b>		
Bimal V. Mehta	25.00	-
Atul G. Shroff	1,000.00	-
Kumud V. Mehta	4.75	-
<b>B) Closing Balance as at end of the year :</b>		
<b>Accounts Payable</b>		
TML Industries Limited	115.16	140.14
Anshul Life Science	14.11	13.65
<b>Receivables Including Trade Advance</b>		
TML Industries Limited	528.69	444.88
Transpek Silox Industry Private Limited	68.09	85.63

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (iv) Significant transactions with related parties:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>Deposits</b>		
Agrocel Industries Private Limited	75.00	75.00
Ashwin C. Shroff	250.00	250.00
Atul G. Shroff	-	1,000.00
<b>Indenting Agency Deposit</b>		
Anshul Life Science	4.00	4.00
<b>Investment in Shares</b>		
Transpek Industry (Europe) Limited	0.02	0.02
Transpek Silox Industry Private Limited	290.96	290.96
Excel Industries Limited	226.76	226.76

### (v) Other Commitments with Related Parties:

For other commitments with related parties refer note of other commitments mentioned in note no 37 (d).

### 43 Other Disclosures :

#### (A) Disclosures related to the Micro, Small and Medium Enterprises.

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
i) Principle Amount	295.36	221.53
ii) Interest Due thereon		
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

(B) Research and Development costs (as certified by the management) debited to the statement of profit and loss are as under:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
a) Revenue expenses debited to appropriate heads of account	221.38	185.86
b) Depreciation on Research and Development Assets	43.44	36.31
<b>Total</b>	<b>264.82</b>	<b>222.17</b>

(a) Capital Expenditure incurred during the year on Research and Development ₹ 150.58 lakhs ( Previous Year ₹ 113.18 lakhs).

(b) The Company has been granted revised approval from 1st April 2016 to 31st March, 2019 for claiming deduction u/s 35 (2AB) of the Income Tax Act, 1961. Accordingly, the company has considered weighted deduction u/s 35 (2AB) while computing the tax liability under the Income Tax Act, 1961.

(C) As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

(a) Gross amount required to be spent by the company during the year: ₹ 84.44 lakhs (Previous Year ₹ 63.11 lakhs)

(b) Amount spent during the year on:

Sr. No.	Particulars	₹ in Lakhs	
		For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>1</b>	<b>Construction/Acquisition of Assets</b>		
	-In cash	-	-
	-Yet to be paid in cash	-	-
<b>2</b>	<b>On purpose other than (i) above</b>		
	-In cash	101.33	104.21
	-Yet to be paid in cash	-	-

(c) Out of the above, ₹ 83.51 lakhs (Previous Year ₹ 62.06 lakhs) has been paid to Shroff Foundation Trust towards Financial Assistance for operating mobile medical units and household sanitation programme.

(D) Donation includes donation made to Bhartiya Janata Party (Political party) ₹ Nil (P.Y. : ₹ 25.00 lakhs)

(E) **Disclosure as per section 186 (4) of Companies Act, 2013**

The Company has made advances of ₹ Nil ( Previous Year ₹ 0.18 lakhs ) to its wholly owned foreign subsidiary Transpek Industry (Europe) Limited. The said advances is utilized by Transpek Industry (Europe) Limited to meet out its overall expenditure.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 44 FAIR VALUE MEASUREMENTS

#### Financial instruments by category

₹ in Lakhs

	As at 31st March, 2019			As at 31st March, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments						
- Equity Instruments	-	14,898.44	-	-	14,353.98	-
- Other	-	-	0.04	-	-	0.04
Deposits	-	-	208.82	-	-	228.82
Trade Receivables	-	-	9,346.58	-	-	9,343.90
Cash and Cash Equivalents	-	-	22.93	-	-	56.59
Bank Balances other than above	-	-	50.85	-	-	98.00
Loans and advances to employees and others	-	-	53.12	-	-	87.38
Forward Exchange Contracts	118.65	-	-	-	-	-
Other Financial Assets	-	-	162.30	-	-	251.09
<b>Total Financial Assets</b>	<b>118.65</b>	<b>14,898.44</b>	<b>9,844.64</b>	<b>-</b>	<b>14,353.98</b>	<b>10,065.82</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	12,020.23	-	-	18,013.74
Other Current financial Liabilities	-	-	2,632.77	-	-	2,497.58
Forward Exchange Contracts	-	-	-	27.69	-	-
Trade payables	-	-	5,919.15	-	-	5,441.62
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>20,572.15</b>	<b>27.69</b>	<b>-</b>	<b>25,952.94</b>

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

₹ in Lakhs

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets at FVOCI</b>					
Equity Instruments	7	1,797.79	13,100.65	-	14,898.44
<b>Financial Assets at amortized cost</b>					
Deposits	8	-	208.82	-	208.82
<b>Financial Assets at FVTPL</b>					
Forward Exchange Contracts	16	-	118.65	-	118.65
<b>Total Financial Assets</b>		<b>1,797.79</b>	<b>13,428.12</b>	<b>-</b>	<b>15,225.91</b>
<b>Financial Liabilities at amortized cost</b>					
Borrowings (Non Current )	20	-	6,878.11	-	6,878.11
<b>Total Financial Liabilities</b>		<b>-</b>	<b>6,878.11</b>	<b>-</b>	<b>6,878.11</b>

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

₹ in Lakhs

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets at FVOCI</b>					
Equity Instruments	7	1,357.76	12,996.22	-	14,353.98
<b>Financial Assets at amortized cost</b>					
Deposits	8	-	228.82	-	228.82
<b>Total Financial Assets</b>		<b>1,357.76</b>	<b>13,225.04</b>	<b>-</b>	<b>14,582.80</b>
<b>Financial Liabilities at FVTPL</b>					
Forward Exchange Contracts	25	-	27.69	-	27.69
<b>Financial Liabilities at amortized cost</b>					
Borrowings (Non Current )	20	-	8,543.95	-	8,543.95
<b>Total Financial Liabilities</b>		<b>-</b>	<b>8,571.64</b>	<b>-</b>	<b>8,571.64</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

The carrying amounts of trade receivables, electricity deposit, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, borrowings, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

## 45 FINANCIAL RISK MANAGEMENT

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### (A) 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 investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (i) Trade receivables

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 and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The company also has credit insurance and ECGC for export supplier. In addition to above, there are no major delays in receipt of payment from the trade receivables.

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, including forward looking information.

Following table represent allowance for doubtful debts with the trade receivables over the years:

### (ii) Reconciliation of loss allowance provision – Trade receivables

₹ In lakhs

	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	11.72	9.40
Changes in loss allowance	6.46	2.32
Closing Balance	18.18	11.72

### (iii) Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 22.93 lakhs (31.03.2018 ₹ 56.59 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

### (iv) Loans and advances

In the case of loans to employees, the same is managed by establishing limits. (Which in turn is based on the employees salaries and number of years of service put in by the concern employee)

### (v) Derivatives

The derivatives are entered into with scheduled banks which have good credit ratings.

### (vi) Other Financial Assets

Other Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

## (B) 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. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Maturities of financial liabilities

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### Contractual maturities of financial liabilities

	₹ in Lakhs		
	Less than 1 year	More than 1 year	Total
<b>As at 31st March, 2019</b>			
<b>Non-derivatives</b>			
Borrowings	5,142.12	6,878.11	12,020.23
Other financial liabilities	2,632.77	-	2,632.77
Trade payables	5,919.15	-	5,919.15
<b>Total Non-derivative liabilities</b>	<b>13,694.04</b>	<b>6,878.11</b>	<b>20,572.15</b>
<b>As at 31st March, 2018</b>			
<b>Non-derivatives</b>			
Borrowings	9,469.79	8,543.95	18,013.74
Other financial liabilities	2,525.27	-	2,525.27
Trade payables	5,441.62	-	5,441.62
<b>Total Non-derivative liabilities</b>	<b>17,436.68</b>	<b>8,543.95</b>	<b>25,980.63</b>

### (C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company uses derivative to manage market risk. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

#### Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

The company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

Currency	As at 31st March, 2019			As at 31st March, 2018		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD (in lakhs)	103.36	96.70	6.66	107.95	43.41	64.54
Equivalent INR (In lakhs)	7,149.41	6,688.74	460.67	7,021.07	2,823.39	4,197.68

Currency	As at 31st March, 2019			As at 31st March, 2018		
	Trade payable	Hedges available	Net exposure to foreign currency risk	Trade payable	Hedges available	Net exposure to foreign currency risk
USD(in lakhs)	14.23	-	14.23	15.47	-	15.47
Equivalent INR(In lakhs)	984.29	-	984.29	1,006.17	-	1,006.17

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

	Impact on profit after tax	
	31st March, 2019	31st March, 2018
USD sensitivity		
INR/USD increases by 5%	(26.18)	159.58
INR/USD decreases by 5%	26.18	(159.58)

### (D) CAPITAL MANAGEMENT

For the purpose of Company's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the share holders and make adjustments to it in the light of changes in economic conditions or its business requirements. The Company's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the share holders' value. The Company funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

### 46 Events after the reporting period

#### (i) Notice for suspension of operations of all the plant facilities:

Subsequent to the year end, the Company has received notices related to safety and pollution issues from factory

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

inspector and Gujarat Pollution Control Board (GPCB) dated 9th May, 2019 for immediate closure of its entire plant facility located at village Ekalbara district, Vadodara, Gujarat, in view of accidental leakage of certain liquid chemicals in one of its plant and burn injuries to its five employees. The Company has responded to the said order and has submitted certain documents as required and requested for revocation of the closure order. The Company is fully committed to comply with the applicable laws.

### (ii) Proposed dividend on Equity Shares:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<u>Proposed dividend on Equity Shares :</u>		
Proposed dividend for the year ended on 31st March, 2019 : Rs.20 /- per share ( Previous year 31st March, 2018 : Rs. 9.00 /- per share)	1,117.11	502.70
Dividend Distribution Tax ( DDT )on Proposed Dividend	229.63	103.33
	<b>1,346.74</b>	<b>606.03</b>

Dividend would attract Dividend Distribution Tax when declared or paid. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and are not recognised as liability (including DDT thereon) as at 31st March, 2019.

47 The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 27th May, 2019. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

48 The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

The accompanying notes (1 to 48) are an integral part of the financial statements.

### As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

### For and on behalf of the Board of Directors

Ashwin C. Shroff (Chairman) DIN : 00019952  
Bimal V. Mehta (Managing Director) DIN : 00081171  
Atul G. Shroff (Director) DIN : 00019645  
Ninad D. Gupte (Director) DIN : 00027523  
Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27th May, 2019

# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

TO THE MEMBERS OF TRANSPEK INDUSTRY LIMITED

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying Consolidated financial statements of TRANSPEK INDUSRTY LIMITED ("the Company"), its subsidiary company (the Company and its subsidiary together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	How the matter was addressed in our audit:
1.	<b>Evaluation of uncertain tax positions and litigations</b> The Group has on-going legal matters relating to direct tax, Indirect tax and other matters which requires significant management judgement to determine the likely outcome Refer Note 36 (a) to the Consolidated Financial Statements.	In assessing the potential exposure of the on-going litigation, we have performed the following procedures: <ul style="list-style-type: none"> <li>• Obtaining from the management details of all completed / pending tax assessments and other litigations upto 31st March 2019;</li> <li>• Understanding the status of pending tax demands and potential liability for the other pending litigations;</li> <li>• Involved our internal tax teams and discussing with the company's legal advisors to confirm the management's underlying assumptions and judgement for determining the potential liability and provisions and the possible outcome of the litigation.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS...

Sr No	Key Audit Matter	How the matter was addressed in our audit:
2.	<p><b>Transactions with Related Parties</b></p> <p>The Group in its course of operations has entered into transactions with related parties. The identification of these related parties, transactions entered into with them and the determination of arm's length price involves significant judgement and estimates.</p> <p>Refer Note (41) to the Consolidated Financial Statements.</p>	<p>Our audit approach for the transactions with related parties involved the following:</p> <ul style="list-style-type: none"> <li>• Evaluation and testing of the design of internal controls and the secretarial process followed relating to identification of related parties and transactions with them;</li> <li>• Confirming the regulatory requirements for the identification of related parties and transactions with these related parties, the determination of arm's length pricing and the disclosures for the same in the financial statements;</li> <li>• Evaluating management judgments and assumptions regarding transactions with Related Parties at Arm's Length Price;</li> <li>• Review of sample agreements/contracts to compare the terms of the related parties' transactions to those of identical or similar transactions with one or more unrelated parties and evaluate the business rationale for the same.</li> </ul>
3.	<p><b>Recoverability and Recognition of Export Incentives under Merchandise Export from India Scheme (MEIS)</b></p> <p>Under the Foreign Trade Policy (FTP) 2015-20 of Government of India, the company claims and receives export benefits under Merchandise Export from India Scheme (MEIS);</p> <p>The Company recognizes these benefits when there is a reasonable assurance that the benefits will be received and company will comply with all the attached conditions in the period in which the right to receive the same is established.</p> <p>Refer Note 3.1(M) and 29 to the Consolidated financial statements.</p>	<p>Our audit approach for verification of the export incentives under MEIS and its recognition involved the following:</p> <ul style="list-style-type: none"> <li>• Evaluation and testing the internal controls and the process for identification and recognition of MEIS Income;</li> <li>• Understanding the management judgements, key assumptions and estimations based on which recognition for MEIS income is done;</li> </ul>

### Information other than the Consolidated Financial Statement and Auditor's Report thereon

The company's Board of Directors is responsible for preparation the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS...

### **Responsibilities of Management and Those Charged with Governance for the consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error;

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so;

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS...

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditor.

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

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

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

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

### Other Matters

We have relied on the unaudited financial statements of a foreign subsidiary whose financial statements reflect total assets of ₹18.03 Lakhs and total revenue of ₹ Nil for the year then ended on that date. These unaudited financial statements have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of this subsidiary is based solely on such unaudited financial statements.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors of the Holding company as on 31st March, 2019 taken on record by the Board of Directors of the Holding company, 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;
  - (f) As per Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' issued in September 2015 by the Institute of Chartered Accountants of India, since the subsidiary is not incorporated in India, no reporting on the adequacy of the internal financial controls over financial reporting of the said subsidiary and operating effectiveness of such control is required. With respect to the adequacy of the internal financial controls over financial reporting of the Holding

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS...

company and the operating effectiveness of such controls, refer to our report in Annexure 'B' of the standalone Ind AS financial statements;

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

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclosed the impact of pending litigations on its financial position of the Group – Refer Note 36 (A) to the consolidated financial statements;
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For C N K & Associates, LLP**

**Chartered Accountants**

**Firm Registration No. 101961W/W-100036**

**Himanshu V. Kishnadwala**

**Partner**

**Membership No.037391**

**Place: Vadodara**

**Date: 27th May, 2019**

# NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS

## NOTE: 1

### CORPORATE INFORMATION

Transpek Industry Limited ('TIL', 'the Company') is into the manufacturing and export of a range of chemicals servicing the requirements of customers from a diverse range of industries - Textiles, Pharmaceuticals, Agrochemicals, Advanced Polymers, etc.

The Consolidated Financial Statements for the year ended 31st March, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 27th May, 2019.

## NOTE: 2

### CONSOLIDATION

- a. The Consolidated financial statements comprise the financial statements of Transpek Industry Limited (herein after referred to as 'the Holding Company') and its subsidiary company, hereinafter collectively referred to as 'the Group'.
- b. Details of the subsidiary company considered in the Consolidated Financial statements are as under:

Name of the Company Shareholding and	Subsidiary / Joint Venture / Associate	Country of Incorporation	%Shareholding and Voting Power
Transpek Industry (Europe) Limited	Subsidiary	United Kingdom	100

## NOTE: 3.1

### BASIS OF PREPARATION

#### i. Compliance with Ind AS

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

#### ii. Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

#### iii. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Ind AS - 110.
- b. "Non-Controlling Interest" represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since that date. Non-Controlling interest's share of net profit/ loss for the year of the subsidiary is identified and adjusted against the profit after tax of the group.
- c. Intra-group balances and intra-group transactions and resulting unrealized profits have been eliminated.
- d. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so.

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

- e. The exchange difference arising on monetary item relating to foreign operations shall be recognized initially in other comprehensive Income and accumulated in the separate component of equity and shall be reclassified from equity to Consolidated Statement of profit and loss on disposal of investment in foreign operation .
- f. The excess of cost to the company of its investment in the subsidiaries, on the acquisition dates over and above the company's share of equity in the subsidiaries, is recognized in the consolidated financial statements as Goodwill on consolidation. The said Goodwill is tested for impairment at each balance sheet date and the impairment loss, if any is provided for.

### iv. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency, and all values are rounded to the nearest lakhs, except otherwise indicated.

## 3.1 SIGNIFICANT ACCOUNTING POLICIES

### A. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

#### An asset is treated as current when it is:

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

All other assets are classified as non-current.

#### A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

### B. Property, Plant and Equipment:

#### Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.



## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

Spare parts are treated as capital assets when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment. Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognized in the consolidated Statement of Profit or Loss.

### **Subsequent Expenditure;**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### **De-Recognition:**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Consolidated Statement of Profit and Loss when the asset is de-recognized.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost (except to the extent of any adjustment permissible under other accounting standard) of the property, plant and equipment.

### **Depreciation methods, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided using the straight-line method based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, and is generally recognized in the consolidated statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the property, plant and equipment have been determined by the Management based on the technical assessment / evaluation:

Category of Property, Plant and Equipment	Useful Life in Years	
	As per Schedule II	As per Group's Assessment
Plant & Machinery (Continuous Process Plant	25	20

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

### **Capital Work-in-Progress**

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying asset, borrowing costs capitalized in accordance with the Group's accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under "Other Non Current Assets" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.



## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

### C. Intangible Assets:

#### Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any.

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- Its ability to use or sell the asset;
- The availability of adequate resources to complete the development and to use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

#### Amortization

Any expenditure capitalized as technical knowhow is amortized on a straight-line basis not exceeding over a period of ten years from the month of addition of the underlying product.

#### De-recognition of Intangible Assets:

Intangible asset is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

### D. Impairment of Non financial assets:

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

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### E. Inventories:

Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a FIFO (as mentioned below), after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, reduction and conversion costs and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Items of Inventory are valued on the principle laid down by the Ind AS 2 on Inventories on the basis given below:

(a) Raw Materials, Stores & Spares (that are not capitalized) and Fuel	Lower of cost (determined on FIFO) and net realizable value.
(b) Packing Material	Lower of cost (determined on FIFO) and net realizable value.
(c) Traded Goods	Lower of cost and net realizable value.
(d) Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(e) Finished Goods	Lower of cost and net realizable value.  Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity and excise duty.

The comparison of cost and net realizable value is made on an item-by-item-basis.

### F. Financial Instruments

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

#### Financial Assets:

##### Initial recognition, classification and measurement

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

##### Debt instruments at amortized cost

A 'debt instrument' is measured at its amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the 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 amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the consolidated statement of profit or loss. The losses arising from impairment are recognized in the consolidated statement of profit or loss.

##### Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial Assets, and
- The asset's contractual cash flows represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI 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). However, the Group recognizes

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

interest income, impairment losses & reversals and foreign exchange gain or loss in the consolidated statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Consolidated statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

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

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to consolidated statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

### Derecognition

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

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

### Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset.

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

- Trade receivables and
- Other receivables

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

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

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount

### **Financial Liabilities:**

#### **Initial recognition and Measurement**

The Group's financial liabilities include trade and other payables, loans and borrowings. All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

#### **Subsequent measurement**

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

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit and loss.

#### **Loans and borrowings**

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

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

#### **Derecognition**

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

#### **Offsetting of financial instruments**

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

### **G. Derivative financial instruments**

The Group uses derivative financial instruments such as forward contracts to hedge its foreign currency risks relating to highly probable transactions or firm commitments. Such forward Exchange Contracts are marked to market and resulting gains or losses are recorded in the consolidated statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### **H. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

### I. Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or 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 Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### J. Cash dividend

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### K. Foreign Currency Translation:

#### Initial Recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### L. Revenue recognition:

Effective 1st April, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1st April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

#### Sale of Goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component and consideration payable to the customer like return and trade discounts.

Sales are disclosed excluding net of sales returns and Goods and Service Tax (GST).

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

### **Conversion charges**

Income is recorded on accrual basis on dispatch of material and as per terms of agreement

### **Income from Wind Operated Power generators**

Income from Sale of Wind Operated Power is accounted on accrual basis on confirmation of units generated and supplied to the State Electricity Board as per the agreement.

### **Sale of Scrap**

Revenue from sale of scrap is recognized as and when scrap is sold.

## **M. Other Income**

### **Interest income**

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Group and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

### **Export Benefits**

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefits accrued under the duty drawback scheme and Merchandise Export from India Scheme (MEIS) as per the Import and export Policy in respect of exports under the said scheme are recognised when there is a reasonable assurance that the benefit will be received and the Group will comply with all attached conditions. The above benefits has been included under the head 'Export Incentives.'

### **Dividend income**

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

### **Insurance Claims:**

Insurance claims are accounted on accrual basis when there is reasonable certainty of realisability of the claim amount.

### **Commission Income:**

Income on account of commission is accounted on accrual basis based on the Terms of Agreement.

## **N. Employee benefits:**

Employee benefits includes short term employee benefits, contribution to defined contribution schemes, contribution to defined benefit plan and Compensated absences.

### **Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **Contribution towards defined benefit contribution schemes**

Contribution towards provident fund and superannuation fund is made to the regulatory authorities. Contributions to the above scheme are charged to the consolidated Statement of profit and loss in the year when the contributions are due. Such benefits are classified as defined Contribution Schemes as the Group does not carry any further obligations, apart



## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

from the contributions to be made.

### **Defined benefit Plan**

#### **Gratuity plan**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy. Current service cost, Past-service costs are recognized immediately in consolidated Statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

#### **Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit or loss in the period in which they arise.

### **O. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

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

### **P. Income taxes :**

The tax expense comprises of current income tax and deferred tax.

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current Income tax (including Minimum Alternate Tax(MAT) is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

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



## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

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

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

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

### Minimum Alternate Tax (MAT)

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

### Q. Provisions and Contingent liabilities and contingent assets :

#### a) Provisions:

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

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### b) Contingent Liabilities and Contingent assets:

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

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

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

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

### 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting 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. Leases:

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

#### As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased assets or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### T. Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performances. The analysis of geographical segments is based on the geographical location of the customers wherever required.

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

#### Segment Policies:

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

### U. Exceptional items:

On certain occasions when, the size, type or incidence of an item of income or expense, pertaining to the ordinary

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly disclosed in the notes accompanying to the Consolidated financial statements.

### 2.2 USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

#### Estimates and assumptions

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

#### a. Determination of the estimated useful life of tangible assets

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

#### b. Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognized in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

#### c. Taxes

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

#### d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### e. Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Group estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

## NOTES FORMING PART OF THE GROUP'S CONSOLIDATED IND AS FINANCIAL STATEMENTS...

### f. Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### g. Impairment of non- financial assets

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

These calculations are corroborated by valuation multiples, quoted share price for publicly traded securities or other available fair value indicators.

### h. Other Provisions

Significant estimates are involved in the determination of provisions. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated.

## 3.2 RECENT ACCOUNTING PRONOUNCEMENTS:

Standards Issued but not Effective

Ind AS 116: Leases

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The Group is in process of evaluating the impact of the same.

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

₹ in Lakhs				
Sr. No.	Particulars	Note No.	As on 31st March, 2019	As on 31st March, 2018
ASSETS				
(1)	Non-current assets			
	(a) Property, Plant and Equipment	4	23,645.11	17,860.89
	(b) Capital work-in-progress	5	3,277.65	5,636.75
	(c) Financial Assets			
	(i) Investments	6	14,898.48	14,354.02
	(ii) Loans	7	208.82	228.82
	(iii) Other financial assets	8	124.00	251.00
	(e) Other non-current assets	9	439.03	592.48
			42,593.09	38,923.96
(2)	Current assets			
	(a) Inventories	10	5,609.69	4,597.45
	(b) Financial Assets			
	(i) Trade receivables	11	9,345.79	9,345.08
	(ii) Cash and cash equivalents	2	25.58	66.08
	(iii) Bank balances other than (ii) above	13	50.85	98.00
	(iv) Loans	14	53.12	87.38
	(v) Other financial assets	15	163.00	6.45
	(c) Other current assets	16	2,025.30	3,518.49
			17,273.33	17,718.93
	Total Assets		59,866.42	56,642.89
EQUITY AND LIABILITIES				
EQUITY				
	(a) Equity Share capital	17	558.56	558.56
	(b) Other Equity	18	30,581.72	24,134.99
			31,140.28	24,693.55
LIABILITIES				
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	6,878.11	8,543.95
	(b) Provisions	20	330.88	311.36
	(c) Deferred tax liabilities (Net)	21	6,096.60	4,752.90
			13,305.59	13,608.21

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

₹ in Lakhs				
Sr. No.	Particulars	Note No.	As on 31st March, 2019	As on 31st March, 2018
(2) Current liabilities				
(a) Financial Liabilities				
	(i) Borrowings	22	5,142.12	9,469.79
	(ii) Trade payables	23		
	- Total outstanding dues of Micro enterprises and small enterprises		295.36	221.53
	- total outstanding dues other than Micro and small enterprises		5,629.28	5,225.64
	(iii) Other financial liabilities	24	2,626.46	2,525.27
	(b) Other current liabilities	25	1,184.42	657.59
	(c) Provisions	26	208.82	178.85
	(d) Current Tax Liabilities (Net)	27	334.09	62.46
			15,420.55	18,341.13
	Total Equity and Liabilities		59,866.42	56,642.89

See accompanying notes forming part of the financial statements.

As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

Ashwin C. Shroff (Chairman) DIN : 00019952  
Bimal V. Mehta (Managing Director) DIN : 00081171  
Atul G. Shroff (Director) DIN : 00019645  
Ninad D. Gupte (Director) DIN : 00027523  
Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

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

₹ in Lakhs

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Revenue from operations	28	59,456.57	36,357.48
	Other income	29	1,780.35	975.37
(I)	<b>Total Income</b>		<b>61,236.92</b>	<b>37,332.85</b>
	<b>EXPENSES</b>			
	Cost of materials consumed	30	30,432.32	18,679.92
	Purchases of Stock-in-Trade	31	7.46	800.02
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	32	(339.20)	(260.53)
	Excise Duty on Sale of Goods		-	243.35
	Employee benefits expenses	33	4,521.84	3,768.33
	Finance costs	34	1,896.09	1,189.64
	Depreciation and amortization expense	4	1,414.25	992.48
	Other expenses	35	13,173.66	8,417.34
(II)	<b>Total expenses</b>		<b>51,106.41</b>	<b>33,830.58</b>
(III)	<b>Profit before tax (I-II)</b>		<b>10,130.51</b>	<b>3,502.27</b>
(IV)	<b>Tax Expense:</b>			
	Current tax		2,293.09	680.49
	Deferred tax and MAT		1,263.72	209.10
	Income Tax adjustments for earlier years		-	(27.61)
			3,556.81	861.98
(V)	<b>Profit for the year (III-IV)</b>		<b>6,573.70</b>	<b>2,640.29</b>
(VI)	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to profit or loss</b>			
	- Remeasurement of Defined benefit plans		14.54	23.85
	- Equity instruments through other comprehensive income		544.45	2,542.53
	<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
	- Remeasurement of Defined benefit plans		(5.03)	(8.25)
	- Equity instruments through other comprehensive income		(74.89)	(462.17)
	Total other comprehensive income		479.07	2,095.95
(VII)	<b>Total comprehensive income for the period (V+VI)</b>		<b>7,052.77</b>	<b>4,736.25</b>
	Earnings per equity share (Refer Note 38)			
	(1) Basic		117.69	47.27
	(2) Diluted		117.69	47.27

See accompanying notes forming part of the financial statements.

As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

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Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A Cash flow from operating activities</b>		
Profit before income tax	10,130.51	3,502.27
<b>Adjustments for :</b>		
Depreciation and amortisation expense	1,414.25	992.48
Interest Income	(33.34)	(41.85)
Loss Allowance	6.46	2.31
(Gain)/loss on foreign currency transactions/translations	(66.73)	18.15
Interest Expense	1,896.09	1,189.64
Dividend Income	(227.68)	(284.61)
(Gain) / Loss on disposal of Property, Plant and Equipment	5.83	3.54
<b>Operating profit before working capital changes</b>	<b>13,125.39</b>	<b>5,381.93</b>
<b>Change in operating assets and liabilities:</b>		
(Increase) / Decrease in Trade receivables	(86.42)	(2,576.66)
(Increase) / Decrease in Inventories	(1,012.24)	(888.94)
(Increase) / Decrease in Loans	54.26	(136.13)
(Increase) / Decrease in Other Financial Assets	129.89	43.46
(Increase) / Decrease in Other Assets	1,492.33	(2,154.12)
Increase / (Decrease) in Trade Payables	477.47	2,054.94
Increase / Decrease in Other Financial Liabilities	(62.30)	42.12
(Increase) / Decrease in Other Liabilities	602.76	5.51
<b>Cash generated from operations :</b>	<b>14,721.14</b>	<b>1,772.10</b>
Direct taxes paid (net)	(1,969.06)	(1,034.92)
<b>Net cash from operating activities (A)</b>	<b>12,752.08</b>	<b>737.17</b>
<b>B Cash flows from investing activities</b>		
Capital expenditure on property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(4,778.29)	(11,947.88)
Proceeds from sale of property, plant and equipment (PPE)	30.73	11.60
Proceeds from sale of investments	0.00	1,266.01
Interest received	33.32	43.02
Dividend received	227.68	284.61
<b>Net cash (used) in Investing activities (B)</b>	<b>(4,486.56)</b>	<b>(10,342.65)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from of long term borrowings	-	7,515.27
Repayments of long term borrowings	(1,577.47)	(990.14)
Increase / (Decrease) in Short Term Borrowings	(4,301.53)	4,948.23
Interest paid	(1,820.98)	(1,240.97)
Dividend paid (including Dividend Distribution Tax)	(606.03)	(605.04)
<b>Net cash (used) in financing activities (C )</b>	<b>(8,306.01)</b>	<b>9,627.36</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(40.49)</b>	<b>21.88</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019...

₹ in Lakhs		
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	42.79	31.45
Cash on hand	23.29	12.76
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 12</b>	<b>66.08</b>	<b>44.21</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	7.35	42.79
Cash on hand	18.23	23.29
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 12</b>	<b>25.59</b>	<b>66.08</b>

See accompanying notes forming part of the financial statements.

### As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

### For and on behalf of the Board of Directors

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Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27th May, 2019

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

### a. Equity Share Capital :

		₹ in Lakhs
Particulars		Amounts
Balance as at the 1st April, 2017		558.56
Changes in equity share capital during the year		-
Balance as at the 31 March, 2018		558.56
Changes in equity share capital during the year		-
Balance as at the 31 March, 2019		558.56

### b. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income(OCI)		Total Equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	FVOCI-Equity Reserve	Foreign currency translation reserve	
As at 1st April, 2017	19.00	202.75	28.65	3,417.71	6,470.97	9,864.67	0.02	20,003.77
Profit for the year	-	-	-	-	2,640.29	-	-	2,640.29
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	15.60	-	-	15.60
Other comprehensive income for the year	-	-	-	-	-	2,080.36	-	2,080.36
Dividends paid including dividend tax thereon	-	-	-	-	(605.04)	-	-	(605.04)
Transfer of (gain)/loss on FVOCI equity investments	-	-	-	-	972.11	(972.11)	-	-
<b>As at 31st March, 2018</b>	<b>19.00</b>	<b>202.75</b>	<b>28.65</b>	<b>3,417.71</b>	<b>9,493.93</b>	<b>10,972.92</b>	<b>0.02</b>	<b>24,134.99</b>
As at 1st April, 2018	19.00	202.75	28.65	3,417.71	9,493.93	10,972.92	0.02	24,134.99
Profit for the year	-	-	-	-	6,573.70	-	-	6,573.70
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	9.51	-	-	9.51
Other comprehensive income for the year	-	-	-	-	-	469.56	-	469.56
Dividends paid including dividend tax thereon	-	-	-	-	(606.03)	-	-	(606.03)
<b>As at 31st March, 2019</b>	<b>19.00</b>	<b>202.75</b>	<b>28.65</b>	<b>3,417.71</b>	<b>15,471.11</b>	<b>11,442.48</b>	<b>0.02</b>	<b>30,581.72</b>

See accompanying notes forming part of the financial statements.

#### As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

#### For and on behalf of the Board of Directors

Ashwin C. Shroff (Chairman) DIN : 00019952  
Bimal V. Mehta (Managing Director) DIN : 00081171  
Atul G. Shroff (Director) DIN : 00019645  
Ninad D. Gupte (Director) DIN : 00027523  
Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

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

### 4 Property, Plant & Equipments

₹ in Lakhs

Particulars	Land-Free Hold	Factory Building	Office Building	Electric Installations	Plant and Equipment	Data Processing Machines	Research & Development Equipment	Furniture and Fixtures	Vehicles	Office equipment	Wind Power Generators	Technical Books	Total
Gross carrying amount As at 01-04-2018	405.32	875.10	122.39	247.81	16,545.44	149.65	605.29	135.57	356.37	49.40	220.50	2.77	19,715.65
Additions	-	839.59	-	69.16	6,022.57	51.18	150.58	16.75	69.65	15.38	-	-	7,234.91
Disposals	-	-	-	-	(57.50)	-	-	-	(43.83)	(1.29)	-	-	(102.63)
Gross carrying amount As at 31-03-2019	405.32	1,714.69	122.39	316.97	22,510.51	200.83	755.87	152.32	382.19	63.49	220.50	2.77	26,847.93
Accumulated depreciation As at 01-04-2018	-	159.42	4.72	44.26	1,363.38	48.04	70.53	48.36	81.46	14.21	19.90	0.36	1,854.64
Charge for the year	-	69.49	2.36	32.96	1,132.38	40.78	43.44	18.72	46.06	8.92	19.05	0.09	1,414.25
On Disposals	-	-	-	-	(30.22)	-	-	-	(34.62)	(1.23)	-	-	(66.07)
Closing accumulated depreciation As at 31-03-2019	-	228.91	7.08	77.22	2,465.54	88.82	113.97	67.08	92.90	21.90	38.95	0.45	3,202.82
Net carrying amount:													
As at 31-03-2019	405.32	1,485.78	115.30	239.75	20,044.96	112.01	641.90	85.24	289.29	41.58	181.55	2.32	23,645.11
As at 31-03-2018	405.32	715.68	117.67	203.55	15,182.06	101.61	534.76	87.21	274.91	35.19	200.60	2.41	17,860.89

#### Notes:

(i) Assets pledged as security :

The free hold Land and Buildings except free hold land acquired during the year amounting to ₹ 93.23 Lakhs, all movable Plant and Machineries and other assets are pledged as security on pari passu basis to the bankers under a mortgage. The Holding Company is not allowed to sell these assets to other entity.

(ii) Borrowing cost capitalized during the year amounts Nil (P.Y. ₹ 307.60 Lakhs).

(iii) The Holding Company is in the process for transfer of ownership related to wind power generators.

### 4 Property, Plant & Equipments

₹ in Lakhs

Particulars	Land-Free Hold	Factory Building	Office Building	Electric Installations	Plant and Equipment	Data Processing Machines	Research & Development Equipment	Furniture and Fixtures	Vehicles	Office equipment	Wind Power Generators	Technical Books	Total
Gross carrying amount													
Gross carrying amount As at 01-04-2017	312.09	842.59	122.39	121.51	9,929.09	76.93	492.21	125.65	294.12	34.87	220.50	2.77	12,574.76
Additions	93.23	32.51	-	126.30	6,630.60	72.72	113.48	9.92	65.29	14.53	-	-	7,158.58
Disposals	-	-	-	-	-	(14.25)	-	(0.40)	-	(3.04)	-	-	(17.69)
Gross carrying amount As at 31-03-2018	405.32	875.10	122.39	247.81	16,545.44	149.65	605.29	135.57	356.37	49.40	220.50	2.77	19,715.65
Accumulated depreciation	-	81.99	2.36	21.75	627.23	21.27	34.45	26.54	40.11	6.40	0.85	0.25	863.20
Charge for the year	-	77.43	2.36	22.51	736.91	26.77	36.31	21.82	41.40	7.81	19.05	0.11	992.48
On Disposals	-	-	-	-	(0.76)	-	(0.23)	-	(0.05)	-	-	-	(1.04)
Closing accumulated depreciation As at 31-03-2018	-	159.42	4.72	44.26	1,363.38	48.04	70.53	48.36	81.46	14.21	19.90	0.36	1,854.64
Net carrying amount:													
As at 31-03-2018	405.32	715.68	117.67	203.55	15,182.06	101.61	534.76	87.21	274.91	35.19	200.60	2.41	17,860.89
As at 01-04-2017	312.09	760.60	120.01	99.77	9,303.96	55.65	457.76	99.12	254.01	28.46	219.65	2.52	11,713.55

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### Notes:

#### (i) Assets pledged as security :

The free hold Land and Buildings except free hold land acquired during the year amounting to ₹ 93.23 Lakhs, all movable Plant and Machineries and other assets are pledged as security on pari passu basis to the bankers under a mortgage. The Group is not allowed to sell these assets to other entity.

(ii) Borrowing cost capitalized during the year amounts ₹ 307.60 Lakhs.

(iii) The Holding Company is in the process for transfer of ownership related to wind power generators.

#### 5. Capital work-in-progress

₹ in Lakhs		
Particulars	As on 31st March, 2019	As on 31st March, 2018
Capital Work in Progress	3,277.65	5,636.75

#### 6. Investments

₹ in Lakhs		
Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Investments at Fair Value Through Other Comprehensive Income</b>		
<b>Investment in Equity Instruments (Quoted fully paid up)</b>		
1,56,650 (31st March 2018: 1,56,650) equity shares of Excel Industries Limited	1,797.79	1,357.76
<b>Investment in Equity Instruments (Unquoted fully paid up)</b>		
9,49,315 (31st March, 2018: 9,49,315) equity shares of Transpek-Silox Industry Private Limited	13,100.55	12,996.12
400 (31st March, 2018: 400) equity share of Co-operative Bank of Baroda Limited	0.10	0.10
10 (31st March, 2018:10) equity shares of Pragati Sahakari Bank Limited #	0.00	0.00
<b>Total (A)</b>	<b>14,898.44</b>	<b>14,353.98</b>
Investments carried at amortized cost		
12 Years National Defence Certificate	0.01	0.01
7 Years National Saving Certificate	0.03	0.03
<b>Total (B)</b>	<b>0.04</b>	<b>0.04</b>
<b>Total - (A+B)</b>	<b>14,898.48</b>	<b>14,354.02</b>
Aggregate amount of quoted investments	1,797.79	1,357.76
Aggregate amount of unquoted investments	13,100.69	12,996.26

# Amount less than thousand.

#### 7. Loans

₹ in Lakhs		
Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Unsecured, considered good</b>		
Security Deposit *	189.35	208.28
Deferred Deposit	19.47	20.54
<b>Total</b>	<b>208.82</b>	<b>228.82</b>

\*Security Deposit includes amount of ₹ 150.00 lakhs ( P.Y. ₹ 170.00 lakhs ) to related party.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 8. Other Financial Assets

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Bank deposits with more than 12 months of original maturity *	124.00	251.00
<b>Total</b>	<b>124.00</b>	<b>251.00</b>

\* The above deposits are maintained for the purpose of Deposit Repayment Reserve Accounts as required under section 73(5) of the Companies Act, 2013 and the rules made there under.

### 9. Other Non Current Assets

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Unsecured, considered good</b>		
Capital Advances (Refer note no 36A(d)(ii))	361.30	458.80
<u>Balances with government authorities</u>		
Taxes paid in advance (net of provisions)	54.04	106.45
VAT recoverable	23.69	27.24
<b>Total</b>	<b>439.03</b>	<b>592.48</b>

### 10. Inventories

(At lower of cost and net realisable value)

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Raw materials	2,534.47	1,963.20
Work-in-process	399.59	127.48
Finished goods	2,198.82	2,131.73
Stores and spares	392.98	290.05
Packing Materials	43.68	58.88
Fuel	40.15	26.11
<b>Total</b>	<b>5,609.69</b>	<b>4,597.45</b>

#### Notes

- The above inventories are pledged as securities to the bankers on pari passu basis against the fund based and non fund based credit limits availed or to be availed by the Holding Company.
- During the year and in previous year there are no instances with respect to write down of inventories from cost to net realizable value, nor there have been any reversal of the write down.

### 11. Trade Receivables

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Trade Receivables considered Good - Secured	-	-
Trade receivable Unsecured, considered good	9,339.60	9,330.02
Trade Receivables which have significant increase in credit risk	24.37	26.77
Trade Receivables - Credit Impaired	-	-
Less: Loss Allowance	(18.18)	(11.72)
<b>Total</b>	<b>9,345.79</b>	<b>9,345.08</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 12. Cash and cash equivalents

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Balances with banks</b>		
In current accounts	7.35	42.79
Cash in hand	18.23	23.29
<b>Total</b>	<b>25.58</b>	<b>66.08</b>

### 13. Bank balances other than above

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
Term deposits with original maturity for more than 3 months but less than 12 months*	1.15	1.15
Balances held as margin money against letters of credit issued by banks and Bill Discounting	1.00	61.78
Balances held in unpaid dividend accounts	27.89	24.81
Balances held in unpaid interest on fixed deposit accounts	20.81	10.26
<b>Total</b>	<b>50.85</b>	<b>98.00</b>

\* Fixed Deposits pledged with Government authorities as at 31st March 2019 is ₹ 1.15 lakhs (P.Y. ₹ 1.15 lakhs)

### 14. Loans

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>Unsecured, considered good</b>		
Advances to employees	33.12	27.38
Security Deposits with related party	20.00	60.00
<b>Total</b>	<b>53.12</b>	<b>87.38</b>

### 15. Other Financial Assets

₹ in Lakhs

Particulars	As on 31st March, 2019	As on 31st March, 2018
-Forward contracts Outstanding	118.65	-
-Interest accrued on deposits	0.11	0.09
-Other receivables	44.24	6.36
<b>Total</b>	<b>163.00</b>	<b>6.45</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 16. Other Current Assets

Particulars	₹ in Lakhs	
	As on 31st March, 2019	As on 31st March, 2018
<b>Unsecured, considered good</b>		
Advances to suppliers	244.06	267.73
Expenses paid in advance	277.91	201.76
Balances with Government authorities	1,503.33	3,049.00
<b>Total</b>	<b>2,025.30</b>	<b>3,518.49</b>

### 17. Share Capital

#### (i) Authorised Share Capital

Particulars	Equity Share Capital		Preference Share Capital	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
<b>As at 1st April 2017</b>	75,00,000	750.00	5,00,000	500.00
Increase /(decrease) during the year	-	-	-	-
<b>As at 31 March 2018</b>	75,00,000	750.00	5,00,000	500.00
Increase /(decrease) during the year	-	-	-	-
<b>As at 31 March 2019</b>	75,00,000	750.00	5,00,000	500.00

#### (ii) Issued Share Capital

Particulars	Equity Share Capital		Preference Share Capital	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
<b>As at 1st April 2017</b>	55,85,569	558.56	-	-
Increase /(decrease) during the year	-	-	-	-
<b>As at 31 March 2018</b>	55,85,569	558.56	-	-
Increase /(decrease) during the year	-	-	-	-
<b>As at 31 March 2019</b>	55,85,569	558.56	-	-

#### (iii) The rights, preferences and restrictions attaching to each class of shares :

##### Equity shares with voting rights :

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any remaining assets of the company, after distribution of all preferential amounts and repayment towards Preference share holders, if any.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

(iv) Shares held by shareholders each holding more than 5% of the shares

Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Percentage	No. of Shares	Percentage
Anshul Speciality Molecules Private limited	13,76,440	24.64%	13,76,440	24.64%
Kamaljiyot Investments Limited	7,02,703	12.58%	7,02,703	12.58%
Shruti A. Shroff	3,07,225	5.50%	3,05,725	5.47%

(v) Details of Shares bought back by the company in the immediately preceding five years from the date of Balance sheet

The Company had bought back 2,86,471 shares. The details of the same are as under:

Year	Shares (Number)	Face Value per share	Total Face Value (₹ in Lakhs)	Premium Per Share ₹	Total Premium (₹ in Lakhs)	Grand Total (₹ in Lakhs)
2016-17	2,86,471	10	28.64	461.25	1,321.33	1,349.97

### 18. Other Equity

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve	19.00	19.00
Capital Redemption Reserve	28.65	28.65
Securities Premium Account	202.75	202.75
General Reserve	3,417.71	3,417.71
Equity Instruments through Other Comprehensive Income	11,442.48	10,972.92
Foreign Currency translation reserve	0.02	0.02
Retained Earnings	15,471.11	9,493.94
<b>Total</b>	<b>30,581.72</b>	<b>24,134.99</b>
(i) Capital Reserve (On amalgamation of subsidiary company)		
Opening/closing balance	19.00	19.00
(ii) Capital Redemption Reserve (On account of buyback of Shares)		
Opening/closing balance	28.65	28.65
(iii) Securities Premium Account (Excess of face value of the equity shares)		
Opening/closing balance	202.75	202.75
(iv) General Reserve (transfer of a portion of the net profit)		
Opening/closing balance	3,417.71	3,417.71
(v) Equity Instruments through Other Comprehensive Income (Refer below note)		
As per last Balance Sheet	10,972.92	9,864.67
Add/Less : Additions/(Deletions) during the year	469.56	2,080.36
Transfer of (gain)/loss on FVOCI equity investments	-	(972.11)
<b>Balance at the end of the year</b>	<b>11,442.48</b>	<b>10,972.92</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

		₹ in Lakhs	
Particulars	As at 31st March, 2019	As at 31st March, 2018	
<b>(vi) Foreign Currency translation reserve</b>			
As per last Balance Sheet	0.02	0.02	
Add/ (less) : Transfer for the year	(0.00)	-	
<b>Balance at the end of the year</b>	<b>0.02</b>	<b>0.02</b>	
<b>(vi) Retained Earnings</b>			
Opening balance	9,493.94	6,470.97	
Add: Net Profit for the Year	6,573.70	2,640.29	
Add/(Less): Remeasurement of the Net Defined benefit liability/asset, net of tax effect	9.51	15.60	
Add: Transfer to retained earnings from FVOCI equity investments, (net of tax)	-	972.11	
Less : Dividends paid including dividend tax thereon	(606.03)	(605.04)	
<b>Closing balance</b>	<b>15,471.11</b>	<b>9,493.94</b>	
<b>Total</b>	<b>30,581.72</b>	<b>24,134.99</b>	

Note: Equity instrument held at FVOCI: The Group has elected to recognise changes in the fair value of certain investment in equity instruments in other comprehensive income. This amount will be reclassified to retained earnings on de-recognition of equity instrument.

### 19. Borrowings

		₹ in Lakhs	
Particulars	As at 31st March, 2019	As at 31st March, 2018	
<b>Secured - at amortized cost</b>			
<b>(a) Term Loans</b>			
- from Banks (Refer note (i) and (ii))	4,007.24	5,931.52	
<b>Unsecured - at amortized cost</b>			
<b>(a) Deposits</b>			
- Deposits from members (Refer note - (iii) and (iv) below)	2,620.87	2,267.43	
<b>(b) Unsecured Loans from Related Parties. ( Refer note-(v) below)</b>			
- Inter Corporate Deposits	-	75.00	
- Deposits from Directors	250.00	270.00	
	250.00	345.00	
<b>Total</b>	<b>6,878.11</b>	<b>8,543.95</b>	

#### (i) Nature of security:

The above Term loans/ Capex loans are secured by first charge by way of hypothecation of all the movable machinery financed or to be financed under the said term/ capex loans by the respective banks. The above loans are further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the holding Company, both present and future, on pari passu basis. They are further secured by second charge by way of hypothecation over entire current assets including stock and book debts with current charge holders on pari passu basis. The Corporate working capital term loans are secured by way of pari passu first hypothecation charge over entire current assets of the company, present and future, ranking pari passu with other term lenders.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

(ii) Maturity profile of Secured Term loans are set out below:

(Interest rate range from 8.75 % to 10.80 %)

₹ In Lakhs

Particular	Term loans - from Banks
1-2 years	1,466.67
2-3 years	1,300.00
3-4 years	1,300.00

(iii) Deposits from members are repayable within a period of 2-3 years from the date of acceptance. The interest rate for the same ranges from 8.75% to 10.20%

(iv) Deposits from members includes deposits from related parties amounting to as at 31st March 2019 : ₹ 29.61 lakhs (PY: ₹ 38.60 lakhs)

(v) Intercompany Deposits and unsecured Loan from Related Parties aggregating to ₹ 250.00 lakhs (P.Y. ₹ 345.00 lakhs) are repayable within a period of 1-2 years. The interest rate for the same is 9.90 %.

### 20. Provisions

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Provision for employee benefits</b>		
Provision for compensated absences (Refer note 39)	330.88	311.36
<b>Total</b>	<b>330.88</b>	<b>311.36</b>

### 21. Deferred tax (assets) / Liabilities (Net)

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Deferred Tax Liability</b>		
Related to Property, Plant and Equipments and Intangible asset	3,285.29	2,313.32
Financial Asset at fair value through other comprehensive income	2,938.47	2,863.59
Remeasurements of the defined benefit plans	5.03	8.25
<b>Total</b>	<b>6,228.79</b>	<b>5,185.16</b>
<b>Deferred Tax Assets</b>		
Provision For Employee Benefit	125.90	121.79
Unused tax credit (MAT)	-	305.38
Others	6.29	5.09
<b>Total</b>	<b>132.19</b>	<b>432.26</b>
<b>Deferred tax (assets) / liabilities net</b>	<b>6,096.60</b>	<b>4,752.90</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 22. Borrowings

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
<b>Secured - at amortized cost</b>		
(a) Loans repayable on demand		
- from banks	4,136.32	7,004.66
(b) Acceptances from Bank	1,005.80	1,465.13
(Refer note (i) below)		
<b>Unsecured - at amortized cost</b>		
(a) Deposits		
- Deposits from Directors (Refer note (ii) below)	-	1,000.00
<b>Total</b>	<b>5,142.12</b>	<b>9,469.79</b>

- (i) The above Cash/ Export credit facilities, short term loan, Buyers credit and Bills discounting from Consortium bankers i.e. State Bank of India, Axis Bank Limited, Bank of Baroda and IDBI Bank Limited are secured by first charge by way of hypothecation of stocks of raw materials, packing materials, consumable stores, finished goods, semi-finished goods and book debts of the holding company, on pari passu basis. The aforesaid credit facilities are further secured by way of charge on all the fixed assets of the company ranking second and subservient for the charges created in respect of borrowings obtained from them. The interest rate for the same ranges from 9.05 % to 9.65 %.
- (ii) The Interest rate for unsecured short term loan and deposit from director is 9.90%.

### 23. Trade Payables

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Trade payables		
- Total outstanding dues of Micro enterprises and small enterprises (Refer note 42 (A))	295.36	221.53
- Total outstanding dues other than Micro and small enterprises	5,629.28	5,225.64
<b>Total</b>	<b>5,924.65</b>	<b>5,447.17</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 24. Other Financial Liabilities

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long-term debt (Refer Note (i) below)	1,633.33	1,686.15
Current maturities of unsecured deposits (Refer Note(ii) below)	745.97	604.78
Interest accrued but not due on borrowings	203.37	128.26
Unpaid dividend(*)	27.89	24.81
Unpaid matured deposits and interest accrued thereon	4.84	42.53
Security deposits	11.05	11.05
Forward contracts outstanding	-	27.69
<b>Total</b>	<b>2,626.46</b>	<b>2,525.27</b>

(\*) To be deposited with Investor Education and Protection Fund as and when they became due.

**Note (i):** Current maturities of long-term debt (Refer Notes (i) in Note 19 - Long-term borrowings for details of security and guarantee):

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
(a) Secured Term loans from banks:	1,633.33	1,686.15
(The Interest rate for the same ranges from 8.75% to 10.80%)		
<b>Total</b>	<b>1,633.33</b>	<b>1,686.15</b>

### Note (ii): Current maturities of unsecured deposits

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Current maturities of unsecured deposits	745.97	604.78
(The Interest rate for the same ranges from 8.75% to 10.20 %)		
<b>Total</b>	<b>745.97</b>	<b>604.78</b>

(i) Includes deposits from related parties amounting to as at 31st March 2019 : ₹ 104.00 lakhs (P.Y : ₹ 65.00 lakhs)

### 25. Other Current Liabilities

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Advances from customers	219.65	7.98
Statutory dues payable	36.69	51.83
Salary and Wages payable	334.83	244.12
Other payables	593.25	353.66
<b>Total</b>	<b>1,184.42</b>	<b>657.59</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 26. Provisions

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Provision for employee benefits</b>		
- Provision for compensated absences	25.19	13.56
- Provision for gratuity (net)	49.32	53.07
- Provision for Bonus/ Ex-gratia	134.31	112.22
<b>Total</b>	<b>208.82</b>	<b>178.85</b>

### 27. Current Tax Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for income tax (Net of Advance Tax)	334.09	62.46
<b>Total</b>	<b>334.09</b>	<b>62.46</b>

### 28. Revenue from Operations

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of Products	59,233.41	36,152.45
Other Operating revenues	223.16	205.03
<b>Total</b>	<b>59,456.57</b>	<b>36,357.48</b>

Note :The revenue from operations for the previous year, for the period of 1st April 2017 to 30th June 2017 includes excise duty recovered on sales of ₹ 243.33 lakhs.

#### Note 28 (i) Other operating revenue comprises of :

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Job Work Income	-	100.99
Income from sale of scrap and other items	101.29	57.09
Income from Wind Power	121.87	46.95
<b>Total</b>	<b>223.16</b>	<b>205.03</b>

### 29. Other Income

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income	33.34	41.85
Dividend Income		
(From Equity Instruments designated at fair value through other comprehensive income)	227.68	284.61
Other Non-Operating Income		
(Net of expenses directly attributable to such income)	12.68	3.88
Export incentives and duty drawbacks	1,506.65	542.31
Net gain on foreign currency transactions/translations	-	102.72
<b>Total</b>	<b>1,780.35</b>	<b>975.37</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### Note- 29 (i) Interest Income Comprises of

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Financial Assets (measured at amortized cost)		
Banks deposits	12.32	25.86
Other deposits	21.02	5.97
Interest on Tax refunds	-	10.02
<b>Total</b>	<b>33.34</b>	<b>41.85</b>

### Note- 29(ii) Other non- operating income comprises of :

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Insurance claims	9.36	0.98
Sale of Technical know how	3.32	0.86
Commission Income	-	0.66
Balances written back	-	1.37
<b>Total</b>	<b>12.68</b>	<b>3.88</b>

### 30. Cost of materials consumed

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Raw Material Consumption</b>		
Opening Stock	1,963.20	1,400.52
Add: Purchases	31,003.59	19,242.60
	<b>32,966.79</b>	<b>20,643.12</b>
Less: Closing stock	2,534.47	1,963.20
<b>Cost of Material Consumed</b>	<b>30,432.32</b>	<b>18,679.92</b>
<b>Total</b>	<b>30,432.32</b>	<b>18,679.92</b>

### 31. Purchase of Traded goods

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Organic Chemicals	7.46	800.02
<b>Total</b>	<b>7.46</b>	<b>800.02</b>

### 32. Changes in Inventories of finished goods, Work in Progress and Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Inventories at the beginning of the year:</b>		
Finished Goods	2,131.73	1,960.10
Semi Finished Goods	127.48	38.57
	<b>2,259.21</b>	<b>1,998.67</b>
<b>Inventories at the end of the year:</b>		
Finished Goods	2,198.82	2,131.73
Semi Finished Goods	399.59	127.48
	<b>2,598.41</b>	<b>2,259.21</b>
<b>Net Change in Inventories</b>	<b>(339.20)</b>	<b>(260.53)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 33. Employee Benefit expenses

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, wages , bonus, allowances ,etc.	3,691.46	3,034.54
Contributions to Provident and other funds	481.47	450.02
Staff welfare expenses	348.91	283.77
<b>Total</b>	<b>4,521.84</b>	<b>3,768.33</b>

### 34. Finance Costs

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest costs:		
(i) Interest on borrowings	1,543.56	909.81
(ii) Others	60.87	20.30
Other borrowing costs	291.66	259.53
<b>Total</b>	<b>1,896.09</b>	<b>1,189.64</b>

### 35. Other Expenses

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Consumption of stores and spare parts	161.63	171.15
Power and fuel	3,763.71	2,179.61
Consumption of Packing Materials	380.81	521.68
Rent (Refer Note No 40 (C))	863.35	281.80
<b>Repairs and maintenance</b>		
Buildings	40.19	33.19
Machineries	949.61	535.10
Others	267.14	133.51
Insurance	123.96	74.81
Rates and taxes (other than taxes on income)	10.38	10.98
Freight and Forwarding charges	3,954.22	2,309.19
Contractor's Charges	301.84	196.00
Commission	411.56	450.96
Travelling and Conveyance	261.73	281.15
Legal and Professional charges	323.36	288.45
Sales Promotion Expenses	88.82	76.71
Payment to Auditors	12.54	14.31
Director Sitting Fees	17.50	19.90
Non Executive Director's Commission	103.76	48.93
Donation and contribution to charitable organizations (Refer Note no.42(D))	199.82	152.66
Loss on disposal of assets(Net)	5.83	3.54
Net loss on foreign currency transactions/translations	17.77	-
Corporate Social Responsibility expenditure (Refer Note no.42 (C))	101.33	104.21
Loss Allowance	6.46	2.31
Miscellaneous expenses	806.34	527.19
<b>Total</b>	<b>13,173.66</b>	<b>8,417.34</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 36. Additional information to the financial statements

#### (A) Contingent Liabilities and Capital Commitments

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Contingent Liabilities</b>		
(i) Claims against the Group not acknowledged as debts (on account of outstanding law suits)	13.24	370.38
<b>(b) No provision has been made for following demands raised by the authorities since the Group has reason to believe that it would get relief at the appellate stage as the said demand are excessive and erroneous</b>		
(i) Disputed Income tax Liability Against which amount already paid as at March 31, 2019 ₹13.16 lakhs (As at 31st March, 2018 ₹ 13.16 lakhs)	30.12	59.16
(ii) Disputed Sales tax Liability - Against which amount already paid as at March 31, 2019 ₹ 6.63 lakhs (As at 31st March, 2018 ₹ 6.63 lakhs)	6.63	6.63
(iii) Disputed Excise & Service Tax Liability - Against which amount already paid as at March 31, 2019 ₹ 108.66 lakhs (As at 31st March, 2018 ₹ 21.94 lakhs)	789.23	510.26
<b>Total</b>	<b>839.22</b>	<b>946.44</b>
<b>(c) Guarantees given by Banks to third parties on behalf of the Group</b>	<b>250.98</b>	<b>272.81</b>
<b>(d) Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account & not provided for Net of Advances As at 31st March 2019 ₹ 361.30 lakhs (As at 31st March, 2018 ₹ 458.80 lakhs) - Property, Plants & Equipments.	987.07	1,849.00
(ii) Other Commitments		
(a) The Group has a commitment to pay ₹ 6.00 Lakhs Per Month (subject to indexation) to Mr. Atul Shroff (Director) during his lifetime and thereafter ₹ 3.00 Lakhs Per Month to his spouse during her lifetime.		
(b) The Group has entered into an agreement with TML Industries Limited whereby the Holding company has to pay fixed amount of ₹ 60.00 Lakhs on monthly basis against the entire facility reserved by the above related party exclusively for the Holding company for carrying manufacturing activities of its products.		

#### (B) Auditor's Remuneration

₹ in Lakhs		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Audit Fees (including for quarterly limited review)	11.00	11.00
For certification	1.02	1.30
Fees for other services	-	1.50
Out of pocket expenses	0.52	0.51
<b>Total</b>	<b>12.54</b>	<b>14.31</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 37. TAX EXPENSE

Particular	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,293.09	680.49
Income Tax adjustments for earlier years	-	(27.61)
Deferred tax	2293.09	652.88
Deferred tax for the year*	1,263.72	209.10
	1,263.72	209.10
	3,556.82	861.99

\*excludes below tax impact on Other Comprehensive Income

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before income tax expense	10,130.51	3,502.28
<b>Tax at the Indian tax rate of 34.94% (2017-2018 - 21.34%#)</b>	<b>3,540.00</b>	<b>747.45</b>
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Tax-exempt income (Dividend)	(78.16)	(59.96)
Non-deductible tax expenses		
(Disallowances Under Section 14A and 43B of the Income Tax Act, 1961 and Capital Expenditure, Depreciation expense)	269.66	467.49
Deductible tax expenses (Allowances Under Section 35(2AB))	(112.87)	-
Deductible tax expenses (Allowances Under Section 43B)	(14.07)	-
Unused tax credit (MAT)	-	(305.38)
Others	(47.75)	12.40
<b>Income Tax Expense</b>	<b>3,556.82</b>	<b>861.99</b>

# In the Previous year ended 31st March, 2018, the Holding company fell under the provision of Minimum Alternate Tax u/s 115JB and the applicable Indian Statutory tax rate was 21.34%.

### 38. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

#### i. Profit attributable to Equity holders of Holding Company

	₹ In lakhs	
	31st March, 2019	31st March, 2018
Profit attributable to equity share holders of the Holding Company for basic and diluted earnings per share	6,573.70	2,640.30

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### ii. Weighted average number of ordinary shares

	31st March, 2019	31st March, 2018
Weighted average number of shares as at March 31 for basic and diluted earnings per shares	5,585,569	5,585,569
Basic/Diluted earnings per share (in `)	117.69	47.27

### 39 Employee benefits

#### (a) Defined benefit plan:

The Holding company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The following table summarizes the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

#### Risks associated with defined benefit plan

**Interest rate risk:** A fall in the discount rate which is linked to the Government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

#### Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2019. (₹ in lakhs)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 40. Employee Benefits:

<b>a) Reconciliation in present value of obligations (PVO) - defined benefit obligation:</b>		<b>Gratuity - Funded as on</b>	
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
<b>PVO at the beginning of the year</b>		<b>1,227.03</b>	<b>1,276.09</b>
Current service cost		67.48	62.05
Interest cost		94.84	94.30
Actuarial (Gains)/Losses on obligations- Due to Change in Financial Assumption		(3.77)	(31.64)
Actuarial (Gains)/Losses on obligations- Due to Experience		(7.73)	10.32
Benefits paid		(49.11)	(184.09)
Accrued Payment		-	-
<b>PVO at the end of the year</b>		<b>1,328.74</b>	<b>1,227.03</b>
<b>b) Change in fair value of plan assets:</b>		<b>Gratuity - Funded as on</b>	
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
<b>Fair value of plan assets at the beginning of the year</b>		<b>1,173.97</b>	<b>1,188.08</b>
Interest Income		90.74	87.79
Return on Plan Assets, Excluding Interest Income		3.03	2.54
Contributions by the employer		60.79	79.65
( Benefits paid from the Fund )		(49.11)	(184.09)
<b>Fair value of plan assets at the end of the year</b>		<b>1,279.42</b>	<b>1,173.97</b>
<b>c) Reconciliation of PVO and fair value of plan assets:</b>		<b>Gratuity - Funded as on</b>	
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
PVO at the end of period		1,328.74	1,227.03
Fair value of planned assets at the end of year		1,279.42	1,173.97
Funded status		(49.32)	(53.07)
Net asset/(liability) recognised in the balance sheet		(49.32)	(53.07)
<b>d) Net Interest Cost for Current Period</b>		<b>Gratuity - Funded as on</b>	
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
Present Value of Benefit Obligation at the Beginning of the Period		1,227.03	1,276.09
(Fair Value of Plan Assets at the Beginning of the Period)		(1,173.96)	(1,188.08)
Net Liability/ ( Asset) at the Beginning		53.07	88.01
Interest cost		94.84	94.30
( Interest Income )		(90.74)	(87.79)
Net Interest Cost for Current Period		4.10	6.51
<b>e) Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		<b>Gratuity - Funded as on</b>	
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
Current Service Cost		67.48	62.05
Net Interest Cost		4.10	6.51
<b>Expenses Recognized</b>		<b>71.58</b>	<b>68.56</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

f) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
	31st March, 2019	31st March, 2018
Actuarial ( Gains) Losses on Obligation for the Period	(11.50)	(21.32)
Return on Plan Assets, Excluding Interest Income	(3.03)	(2.54)
<b>Net ( Income)/ Expense For the Period Recognized in OCI</b>	<b>(14.53)</b>	<b>(23.86)</b>
g) Balance Sheet Reconciliation		
	31st March, 2019	31st March, 2018
Opening Net Liability	53.07	88.01
Expense Recognized in Statement of Profit Or Loss	71.58	68.56
Expense Recognized in OCI	(14.53)	(23.86)
(Employer's Contribution )	(60.79)	(79.65)
<b>Net Liability ( Assets) Recognized in the Balance Sheet</b>	<b>49.33</b>	<b>53.07</b>
h) Category of Assets		
	31st March, 2019	31st March, 2018
Insurance Fund	1,279.42	1,173.97
<b>Total</b>	<b>1,279.42</b>	<b>1,173.97</b>
i) Other Details		
	31st March, 2019	31st March, 2018
No of Active Members	581.00	576.00
Per Month Salary for Active Members	132.09	120.46
Weighted Average Duration of the Projected Benefit Obligation	9.00	9.00
Average Expected Future Service	14.00	14.00
Projected Benefit Obligation	1328.74	1227.03
Prescribed Contribution for Next Year (12 Months)	121.87	120.45
j) Net Interest Cost for Next Year		
	March 31, 2019	April 1, 2018
Present Value of Benefit Obligation at the End of the Period	1328.74	1227.03
( Fair Value of Plan Assets at the End of the Period )	(1,279.42)	(1,173.97)
Net Liability/(Asset ) at the End of the Period	49.32	53.06
Interest Cost	103.24	94.84
( Interest Income )	(99.41)	(90.74)
<b>Net Interest Cost for Next Year</b>	<b>3.83</b>	<b>4.10</b>
k) Expenses Recognized in the statement of Profit or Loss for Next Year		
	31st March, 2019	31st March, 2018
Current Service Cost	72.55	67.48
Net Interest	3.83	4.10
<b>Expenses Recognized</b>	<b>76.38</b>	<b>71.58</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

l) Major category of assets as at:	Gratuity - Funded as on	
	31st March, 2019	31st March, 2018
Insurer Managed funds	1,279.42	1,173.97

m) Assumption used in accounting for the gratuity plan:	Gratuity - Funded as on	
	31st March, 2019	31st March, 2018
Expected return on plan assets (%)	7.77%	7.73%
Rate of Discounting	7.77%	7.73%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate after Employment	N.A	N.A

**Note 1:** Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

**Note 2:** The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Note 3:** 100% of the plan assets are invested in group gratuity scheme offered by LIC of India.

Maturity Analysis of the Benefit Payments : From the Fund	₹ in Lakhs	
	31st March, 2019	31st March, 2018
1st Following Year	111.94	76.79
2nd Following Year	76.25	85.51
3rd Following Year	121.93	89.17
4th Following Year	101.7	115.61
5th Following Year	90.81	97.04
Sum of Years 6 to 10	866.05	768.55
Sum of Years 11 and above	1338.04	-

### Sensitivity analysis

Particulars	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Projected Benefit Obligation on Current Assumptions	1328.74	1127.03
Delta Effect of +1 % Change in Rate of Discounting	(88.56)	(85.52)
Delta Effect of -1 % Change in Rate of Discounting	100.60	97.24
Delta Effect of +1 % Change in Rate of Salary Increase	99.38	96.03
Delta Effect of -1 % Change in Rate of Salary Increase	(89.15)	(86.07)
Delta Effect of +1 % Change in Rate of Employee Turnover	(2.04)	(2.18)
Delta Effect of -1 % Change in Rate of Employee Turnover	2.22	2.37

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

"The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Note	March 31, 2019	March 31, 2018
<b>Total employee benefit liabilities</b>			
Non-current	-	-	-
Current	26	49.32	53.07

### (b) Other long term Benefits:

The Holding company's Long Term benefits includes Leave Encashment payable at the time of retirement subject to, policy of maximum leave accumulation of company. The scheme is not funded.

### Changes in the present value of the obligation in respect of leave encashment

Particulars	31st March, 2019	31st March, 2018
Obligation at the year beginning	324.92	340.85
Actuarial (gains) / losses on obligation	31.15	(15.93)
Obligation at the year end	356.07	324.92

### (c) Defined Contribution plans:

Amounts recognized as expense for the period towards contribution to the following funds:

Particulars	31st March, 2019	31st March, 2018
Employers contribution to:		
- Provident Fund	209.46	197.38
- Gujarat Labour Welfare Fund	0.13	0.06
- Superannuation Fund	195.94	180.70
<b>Total</b>	<b>405.53</b>	<b>378.14</b>

## 40 Disclosures under Indian Accounting Standards

### (A) Disclosure pursuant to Ind AS 115 -Revenue from Contracts with Customers:

#### Disaggregation of revenue

#### - Based on Geography

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of Products		
- Domestic Sales	10,881.15	10,901.67
- Export Sales	48,352.26	25,250.78

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (B) Disclosure pursuant to Ind AS 108 "Operating Segment"

Identification of Segments

#### (a) Primary Segment – Business Segment

The Group's operations predominantly comprise of only one segment i.e. chemicals.

#### Geographical Information

The analysis of geographical information is based on the geographical location of the customers. The geographical information considered for disclosure are as follows:

Sales within India include sales to customers located within India.

Sales outside India include sales to customers located outside India.

#### Revenue by Geography

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Within India	10,881.16	10,901.67
Asia	1,056.91	5,392.39
Europe	4,375.64	1,754.79
North America	42,919.70	18,103.60
<b>Total</b>	<b>59,233.41</b>	<b>36,152.45</b>

Concentration of Revenues from three customers of the group were 67 % and 48% of total revenue for the year ended 31st March, 2019 and 31st March, 2018 respectively.

#### Carrying value of segment assets

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Within India	52,578.93	49,621.21
Asia	315.67	1,144.80
Europe	601.41	488.32
North America	6,370.41	5,388.56
<b>Total</b>	<b>59,866.42</b>	<b>56,642.89</b>

#### Property, Plant & Equipment by Geographical Locations

The Group has common PPE for producing goods for domestic as well as overseas market. There are no PPE situated outside India. Hence, additional segment-wise information for PPE / additions to PPE has not been furnished.

### (C) Operating Lease:

The Group has cancellable operating leasing arrangements related to office premises and equipments which are renewable by mutual consent and lease rentals payable are accordingly charged as rent. During the period, the Group has taken office premises under cancelable operating lease; the rentals for which are charged to the Statement of Profit and Loss for the period. The lease term is for 11 months for office premises and lease term for equipments range from one to three years and there are no sub-leases.

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Annual lease rent of office premises	28.32	22.70
Annual lease rent of equipments	835.03	259.10

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 41. Related Party Disclosures:

#### (i) Names of related parties and description of relationship with whom transactions have taken place:

Enterprises owned or significantly influenced by key management personnel or their relatives	Excel Industries Limited Transpek Silox Industry Private Limited TML Industries Limited Anshul Specialty Molecules Private Limited Anshul Life Sciences Madison Investments Private Limited Agrocel Industries Private Limited Transchem Agritech Private Limited Kamaljyot Investments Limited Nectar Crop Sciences Private Limited (upto 15th December, 2017 ) Shroffs Foundation Trust
Key Management Personnel	Bimal Vasantlal Mehta (Managing Director) Ashwin Champraj Shroff (Chairman and Non Executive Director) Ravi Ashwin Shroff (Non Executive Director) Dipesh Kantisen Shroff (Non Executive Director) Ninad Dwarkanath Gupte (Independent Director) Dr. Bernd Dill (Independent Director) Nimish Upendrabhai Patel (Independent Director) Geeta Amit Goradia (Independent Director) Hemant Jayantiprasad Bhatt (Independent Director) Pratik Prakash Shah (Chief Financial Officer) Alak Deepak Vyas (Company Secretary)
Relatives of key management personnel	Vishwa Atul Shroff Shruti Atul Shroff Minoti Ninad Gupte Hanny Bimal Mehta Kumud Vasantlal Mehta Kavit Bimal Mehta Parul Haresh Benani

#### (ii) Key management personnel compensation

Particulars	₹ in Lakhs	
	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Short term employee benefits	247.29	554.68
Post employment benefits	27.67	39.94
Long term employee benefits	38.13	64.32
<b>Total Compensation</b>	<b>313.09</b>	<b>658.94</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (iii) Particulars of Transactions with Related Parties

Transactions with related parties for the year ended 31st March, 2019 are as follows: (Previous Year's figures are shown in brackets)

₹ in Lakhs			
Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
Sale of Goods	1,216.15 (1,011.42)	- -	1,216.15 (1,011.42)
Services Rendered	3.32 (0.86)	- -	3.32 (0.86)
Windmill Income	121.87 (46.95)	- -	121.87 (46.95)
Dividend Received	223.68 (280.97)	- -	223.68 (280.97)
Interest Received	7.79 (2.51)	- -	7.79 (2.51)
Sale of Shares	- -	- (1,266.00)	- (1,266.00)
Processing Charges	992.58 (720.00)	- -	992.58 (720.00)
Purchase of Goods	7.46 (767.99)	- -	7.46 (767.99)
Purchase of Property, Plant & Equipment	11.25 -	- -	11.25 -
Dividend Paid	69.83 (69.83)	56.78 (42.38)	126.61 (112.21)
Commission Paid	63.93 (54.27)	- -	63.93 (54.27)
Donations Paid	99.97 (101.51)	- -	99.97 (101.51)
Corporate Social Responsibility Expense	83.51 (62.07)	- -	83.51 (62.07)
Interest Paid	12.58 (11.88)	57.86 (33.78)	70.44 (45.66)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

₹ in Lakhs

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
Consumable Item Purchase	0.37	-	0.37
	-	-	-
Legal & Professional Services	-	0.20	0.20
	-	-	-
Reimbursement charged to the company	489.77	-	489.77
	(268.33)	-	(268.33)
Remuneration to Executive Director	-	-	-
	-	(129.35)	(129.35)
Managerial Remuneration(*)	-	274.96	274.96
	-	(440.18)	(440.18)
Other Benefit to Director	-	72.68	72.68
	-	(24.00)	(24.00)
Commission Paid to Independent and Non-Executive Directors	-	48.00	48.00
	-	(44.25)	(44.25)
Directors' Sitting Fees	-	16.10	16.10
	-	(18.30)	(18.30)
CSR Meeting Fees	-	1.40	1.40
	-	(1.60)	(1.60)
Capital Advance Given	42.00	-	42.00
	(180.00)	-	(180.00)
Security Deposit Given	-	-	-
	(150.00)	-	(150.00)
Security Deposit Received Back	60.00	-	60.00
	(20.00)	-	(20.00)
Trade Advance Received	-	-	-
	(47.50)	-	(47.50)
Inter Corporate Deposit Taken	500.00	-	500.00
	(1,000.00)	-	(1,000.00)
Inter Corporate Deposit Repaid	535.00	-	535.00
	(1,000.00)	-	(1,000.00)
Deposit Taken	-	-	-
	-	(1,000.00)	(1,000.00)
Deposit Repaid	-	1,029.75	1,029.75

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

\* As the liabilities for leave encashment are provided on an actuarial basis for the Holding Company as a whole, the amounts pertaining to the directors is not separately determined and hence are not included in above.

### Balance Outstanding at the year end:

	₹ in Lakhs		
Accounts Payable	131.19	-	137.52
	(162.56)	-	(162.56)
Accounts Receivable including Trade Advance	604.02	-	604.02
	(467.89)	-	(468.07)
Agency Deposit	4.00	-	4.00
	(4.00)	-	(4.00)
Deposits	75.00	332.86	407.86
	(110.00)	(1,338.36)	(1,448.36)
Investment in Shares	517.72	-	517.74
	(517.72)	-	(517.74)
Commission payable to Managing Director	-	105.23	105.23
	-	(51.47)	(51.47)
Commission payable to Independent and Non - Executive Directors	-	105.23	105.23
	-	(68.76)	(68.76)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (iv) Significant transactions with related parties:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>A) Transactions during the year:</b>		
<b>Sale of Goods</b>		
Nectar Crop Sciences Private Limited	-	169.59
Transpek Silox Industry Private Limited	1,164.17	830.82
<b>Services Rendered</b>		
Transchem Agritech Limited	3.32	0.86
<b>Windmill Income</b>		
TML Industries Limited	121.87	46.95
<b>Dividend Received</b>		
Transpek Silox Industry Private Limited	204.10	251.57
<b>Interest Received</b>		
TML Industries Limited	7.79	2.51
<b>Sale of Shares of Agrocel Industries Private Limited</b>		
Dipesh K. Shroff	-	633.00
Shruti A. Shroff	-	316.50
Atul G. Shroff	-	316.50
<b>Processing Charges</b>		
TML Industries Limited	990.92	720.00
<b>Purchase of Goods</b>		
TML Industries Limited	7.46	767.99
<b>Purchase of Property, Plant &amp; Equipment</b>		
Transchem Agritech Limited	11.25	-
<b>Dividend Paid</b>		
Shruti A. Shroff	27.52	27.51
Kamaljyot Investments Limited	63.24	63.24
Ashwin C. Shroff	14.75	0.35
<b>Commission Paid</b>		
Anshul Life Science	63.93	54.27
<b>Donation Paid</b>		
Shroffs Foundation Trust	99.97	101.51
<b>Corporate Social Responsibility Expense</b>		
Shroffs Foundation Trust	83.51	62.07
<b>Interest Paid</b>		
Ashwin C. Shroff	24.75	24.75

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
Agrocel Industries Private Limited	10.78	7.62
Atul G. Shroff	26.43	-
<b>Reimbursements charged to the company (expense)</b>		
TML Industries Limited	476.86	261.77
<b>Remuneration</b>		
Atul G. Shroff	17.82	382.96
Bimal V.Mehta	211.34	210.57
Pratik P Shah	33.31	28.61
Alak D Vyas	12.49	9.55
<b>Other Benefit to Directors</b>		
Atul G. Shroff	72.68	24.00
<b>Commission Paid to Independent and Non-Executive Directors</b>		
Ashwin C. Shroff	6.00	6.00
Dipesh K. Shroff	6.00	6.00
Ravi A. Shroff	5.50	5.00
Ninad D. Gupte	7.50	7.25
Dr. Bernd Dill	5.00	5.00
Nimish U. Patel	6.00	5.00
Geeta A. Goradia	6.00	5.00
Hemant J. Bhatt	6.00	5.00
<b>Director Sitting Fees</b>		
Atul G Shroff	2.10	0.80
Ashwin C. Shroff	1.00	1.00
Ravi A. Shroff	0.80	0.80
Dr. Bernd Dill	1.20	1.20
Geeta A. Goradia	0.80	2.00
Hemant J. Bhatt	3.10	3.70
Nimish U. Patel	3.30	3.20
Ninad D. Gupte	1.40	2.80
Dipesh K. Shroff	2.40	2.80

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

		₹ in Lakhs	
Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018	
<b>CSR Meeting Fees</b>			
Atul G Shroff	0.40	0.40	
Dipesh K. Shroff	0.40	0.40	
Geeta A. Goradia	0.20	0.40	
Nimish U. Patel	0.40	0.40	
<b>Legal &amp; Professional Charges</b>			
Shruti A. Shroff	0.20	-	
<b>Consumable Items Purchase</b>			
Agrocel Industries Private Limited	0.37	-	
<b>Capital Advance Given</b>			
TML Industries Limited	42.00	180.00	
<b>Security Deposit Given</b>			
Transchem Agritech Private Limited	-	150.00	
<b>Security Deposit Received Back</b>			
TML Industries Limited	60.00	20.00	
<b>Trade Advance Received</b>			
TML Industries Limited	-	47.50	
<b>Inter Corporate Deposit Taken</b>			
Agrocel Industries Private Limited	500.00	1,000.00	
<b>Inter Corporate Deposit Repaid</b>			
Agrocel Industries Private Limited	500.00	1,000.00	
<b>Deposit Taken</b>			
Atul G. Shroff	-	1,000.00	
<b>Deposit Repaid</b>			
Bimal V. Mehta	25.00	-	
Atul G. Shroff	1,000.00	-	
Kumud V. Mehta	4.75	-	
<b>B) Closing Balance as at end of the year :</b>			
<b>Accounts Payable</b>			
TML Industries Limited	115.16	140.14	
Anshul Life Science	14.11	13.65	
<b>Receivables Including Trade Advance</b>			
TML Industries Limited	528.69	444.88	
Transpek Silox Industry Private Limited	68.09	85.63	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>Deposits</b>		
Agrocel Industries Private Limited	75.00	75.00
Ashwin C. Shroff	250.00	250.00
Atul G. Shroff	-	1,000.00
<b>Indenting Agency Deposit</b>		
Anshul Life Science	4.00	4.00
<b>Investment in Shares</b>		
Transpek Silox Industry Private Limited	290.96	290.96
Excel Industries Limited	226.76	226.76

### (v) Other Commitments with Related Parties:

For other commitments with related parties refer note of other commitments mentioned in note no 36 (d) (ii).

### 42 Other Disclosures :

#### (A) Disclosures related to the Micro, Small and Medium Enterprises.

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

Particulars	₹ in Lakhs	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018

The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;

i) Principle Amount	295.36	221.53
ii) Interest Due thereon		

The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

The amount of interest accrued and remaining unpaid at the end of each accounting year; and

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

(B) Research and Development costs ( as certified by the management) debited to the statement of profit and loss are as under:

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a) Revenue expenses debited to appropriate heads of account	221.38	185.86
b) Depreciation on Research and Development Assets	43.44	36.31
<b>Total</b>	<b>264.82</b>	<b>222.17</b>

(a) Capital Expenditure incurred during the year on Research and Development ₹ 150.58 lakhs ( Previous Year ₹ 113.18 lakhs).

(b) The Holding Company has been granted revised approval from 1st April 2016 to 31st March, 2019 for claiming deduction u/s 35 (2AB) of the Income Tax Act, 1961. Accordingly, the Holding company has considered weighted deduction u/s 35 (2AB) while computing the tax liability under the Income Tax Act, 1961.

(C) As per section 135 of the Companies Act, 2013 , a CSR committee has been formed by the Holding company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

(a) Gross amount required to be spent by the Group during the year: ₹ 84.44 lakhs (Previous Year ₹ 63.11 lakhs)

(b) Amount spent during the year on:

Sr. No.	Particulars	₹ in Lakhs	
		For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>1</b>	<b>Construction/Acquisition of Assets</b>		
	-In cash	-	-
	-Yet to be paid in cash	-	-
<b>2</b>	<b>On purpose other than (i) above</b>		
	-In cash	101.33	104.21
	-Yet to be paid in cash	-	-

(c) Out of the above , ₹ 83.51 lakhs (Previous Year ₹ 62.06 lakhs) has been paid to Shroff Foundation Trust towards Financial Assistance for operating mobile medical units and household sanitation programme.

(D) Donation includes donation made to Bhartiya Janata Party (Political party) ₹ Nil (P.Y. : ₹ 25.00 lakhs)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### 43. FAIR VALUE MEASUREMENTS

#### Financial instruments by category

₹ in Lakhs

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments						
- Equity Instruments	-	14,898.44	-	-	14,353.98	-
- Other	-	-	0.04	-	-	0.04
Deposits	-	-	208.82	-	-	228.82
Trade Receivables	-	-	9,345.79	-	-	9,345.08
Cash and Cash Equivalents	-	-	25.58	-	-	66.08
Bank Balances other than above	-	-	50.85	-	-	98.00
Loans and advances to employees and others	-	-	53.12	-	-	87.38
Forward Exchange Contracts	118.65	-	-	-	-	-
Other Financial Assets	-	-	168.36	-	-	257.45
<b>Total Financial Assets</b>	<b>118.65</b>	<b>14,898.44</b>	<b>9,852.55</b>	<b>-</b>	<b>14,353.98</b>	<b>10,082.85</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	12,020.23	-	-	18,013.74
Other Current financial Liabilities	-	-	2,626.46	-	-	2,497.58
Forward Exchange Contracts	-	-	-	27.69	-	-
Trade payables	-	-	5,924.65	-	-	5,447.17
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>20,571.33</b>	<b>27.69</b>	<b>-</b>	<b>25,958.49</b>

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

₹ in Lakhs

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets at FVOCI</b>					
Equity Instruments	6	1,797.79	13,100.65	-	14,898.44
<b>Financial Assets at amortized cost</b>					
Deposits	7	-	208.82	-	208.82
<b>Financial Assets at FVTPL</b>					
Forward Exchange Contracts	15	-	118.65	-	118.65
<b>Total Financial Assets</b>		<b>1,797.79</b>	<b>13,428.12</b>	<b>-</b>	<b>15,225.91</b>
<b>Financial Liabilities at amortized cost</b>					
Borrowings (Non Current)	19	-	6,878.11	-	6,878.11
<b>Total Financial Liabilities</b>		<b>-</b>	<b>6,878.11</b>	<b>-</b>	<b>6,878.11</b>

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

₹ in Lakhs

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets at FVOCI</b>					
Equity Instruments	6	1,357.76	12,996.22	-	14,353.98
<b>Financial Assets at amortized cost</b>					
Deposits	7	-	228.82	-	228.82
<b>Total Financial Assets</b>		<b>1,357.76</b>	<b>13,225.04</b>	<b>-</b>	<b>14,582.80</b>
<b>Financial Liabilities at FVTPL</b>					
Forward Exchange Contracts	24	-	27.69	-	27.69
<b>Financial Liabilities at amortized cost</b>					
Borrowings (Non Current )	19	-	8,543.95	-	8,543.95
<b>Total Financial Liabilities</b>		<b>-</b>	<b>8,571.64</b>	<b>-</b>	<b>8,571.64</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

The carrying amounts of trade receivables, electricity deposit, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, borrowings, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

## 44 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Group, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### (A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### (i) Trade receivables

The Group'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 and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group also has credit insurance and ECGC for export supplier. In addition to above, there are no major delays in receipt of payment from the trade receivables.

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward looking information.

Following table represents allowance for doubtful debts with trade receivables over the years:

### (ii) Reconciliation of loss allowance provision – Trade receivables

₹ In lakhs

Particular	As at 31st March, 2019	As at 31st March, 2018
<b>Opening Balance</b>	<b>11.72</b>	<b>9.40</b>
Changes in loss allowance	6.46	2.32
<b>Closing Balance</b>	<b>18.18</b>	<b>11.72</b>

### (iii) Cash and cash equivalents

As at the year end, the Group held cash and cash equivalents of ₹ 25.58 lakhs (31.03.2018 ₹ 66.08 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

### (iv) Loans and advances

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concerned employee)

### (v) Derivatives

The derivatives are entered into with scheduled banks which have good credit ratings.

### (vi) Other Financial Assets

Others Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

### (B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

### Maturities of financial liabilities

The tables herewith analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

### Contractual maturities of financial liabilities

	₹ in Lakhs		
	Less than 1 year	More than 1 year	Total
<b>As at 31st March, 2019</b>			
<b>Non-derivatives</b>			
Borrowings	5,142.12	6,878.11	12,020.23
Other financial liabilities	2,626.46	-	2,626.46
Trade payables	5,924.65	-	5,924.65
<b>Total Non-derivative liabilities</b>	<b>13,693.22</b>	<b>6,878.11</b>	<b>20,571.33</b>
<b>As at 31st March, 2018</b>			
<b>Non-derivatives</b>			
Borrowings	9,469.79	8,543.95	18,013.74
Other financial liabilities	2,525.27	-	2,525.27
Trade payables	5,447.17	-	5,447.17
<b>Total Non-derivative liabilities</b>	<b>17,442.24</b>	<b>8,543.95</b>	<b>25,986.18</b>

### (C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Group is exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Group uses derivative to manage market risk. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

#### Currency risk

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses both derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

Currency	As at 31st March, 2019			As at 31st March, 2018		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD(in lakhs)	103.36	96.70	6.66	107.95	43.41	64.54
Equivalent INR(In lakhs)	7,149.41	6,688.74	460.67	7,021.07	2,823.39	4,197.68

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

Currency	As at 31st March, 2019			As at 31st March, 2018		
	Trade Payable	Hedges available	Net exposure to foreign currency risk	Trade Payable	Hedges available	Net exposure to foreign currency risk
USD(in lakhs)	14.23	-	14.23	15.47	-	15.47
Equivalent INR(In lakhs)	984.29	-	984.29	1,006.17	-	1,006.17

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

	Impact on profit after tax	
	March 31, 2019	March 31, 2018
<b>USD sensitivity</b>		
INR/USD increases by 5%	(26.18)	159.58
INR/USD decreases by 5%	26.18	(159.58)

### (D) CAPITAL MANAGEMENT

For the purpose of Group's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Group. The Group manages its capital to optimise returns to the share holders and make adjustments to it in light of changes in economic conditions or its business requirements. The Group's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders' through continuing growth and maximise the share holders value. The Group funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

### 45 Events after the reporting period

#### (i) Notice for suspension of operations of all the plant facilities:

Subsequent to the year end, the Holding Company has received notices related to safety and pollution issues from factory inspector and Gujarat Pollution Control Board (GPCB) dated 9th May, 2019 for immediate closure of its entire plant facility located at village Ekalbara district Vadodara Gujarat, in view of accidental leakage of certain liquid chemicals in one of its plant and burn injuries to its five employees. The Holding company has responded to the said order and has submitted certain documents as required and requested for revocation of the closure order. The Holding company is fully committed to comply with the applicable laws.

#### (ii) Proposed dividend on Equity Shares:

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<u>Proposed dividend on Equity Shares :</u>		
Proposed dividend for the year ended on 31st March, 2019 : Rs.20/- per share ( Previous year 31st March, 2018 : Rs. 9.00 /- per share)	1,117.11	502.70
Dividend Distribution Tax ( DDT )on Proposed Dividend	229.63	103.33
	<b>1,346.74</b>	<b>606.03</b>

Dividend would attract Dividend Distribution Tax when declared or paid. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and are not recognised as liability (including DDT thereon) as at 31st March, 2019.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019...

46 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements.

₹ in Lakhs

Name of entity	Net assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Transpek Industry Limited	100	31,140.28	100	6,573.70	100.00	479.07	100.00	7,052.77
(Previous Year)	(100.00)	(24,693.55)	(100.00)	(2,640.29)	100.00	(2,095.95)	(100.00)	(4,736.25)
<b>Foreign Subsidiary</b>								
Transpek Industry (Europe) Limited	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>31,140.28</b>	<b>100.00</b>	<b>6,573.70</b>	<b>100.00</b>	<b>479.07</b>	<b>100.00</b>	<b>7,052.77</b>
<b>(Previous Year)</b>	<b>(100.00)</b>	<b>(24,693.55)</b>	<b>(100.00)</b>	<b>(2,640.29)</b>	<b>(100.00)</b>	<b>(2,095.95)</b>	<b>(100.00)</b>	<b>(4,736.25)</b>

47 The Consolidated financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 27th May, 2019. The Consolidated financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

48 The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

The accompanying notes (1 to 48) are an integral part of the financial statements.

As per our report of even date

For CNK & Associates LLP  
Chartered Accountants  
FRN : 101961W/W-100036

Himanshu Kishnadwala  
Partner  
Mem. No. : 037391

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

Ashwin C. Shroff (Chairman) DIN : 00019952  
Bimal V. Mehta (Managing Director) DIN : 00081171  
Atul G. Shroff (Director) DIN : 00019645  
Ninad D. Gupte (Director) DIN : 00027523  
Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731  
Pratik P. Shah (Chief Financial Officer) ACA: 118400

Place : Vadodara  
Date : 27<sup>th</sup> May, 2019

## 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

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

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Transpek Industry (Europe) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2018 to 31.03.2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP 90.48
4.	Share capital	1,631.00
5.	Reserves & surplus	215.00
6.	Total assets	18,03,085.44
7.	Total Liabilities	18,03,085.44
8.	Investments	0
9.	Turnover	0
10.	Profit before taxation	0
11.	Provision for taxation	0
12.	Profit after taxation	0
13.	Proposed Dividend	0
14.	% of shareholding	100

**For and on behalf of the Company:**

**Ashwin C. Shroff (Chairman) DIN : 00019952**

**Bimal V. Mehta (Managing Director) DIN : 00081171**

**Atul G. Shroff (Director) DIN : 00019645**

**Ninad D. Gupte (Director) DIN : 00027523**

**Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731**

**Pratik P. Shah (Chief Financial Officer)**

# FORM AOC - 1

## 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	NIL	NIL	NIL
1. Latest audited Balance Sheet Date	NIL	NIL	NIL
2. Shares of Associate/Joint Ventures held by the Company on the year end	NIL	NIL	NIL
No.	NIL	NIL	NIL
Amount of Investment in Associates/Joint Venture	NIL	NIL	NIL
Extend of Holding%	NIL	NIL	NIL
3. Description of how there is significant influence	NIL	NIL	NIL
4. Reason why the associate/joint venture is not consolidated	NIL	NIL	NIL
5. Net worth attributable to shareholding as per latest audited Balance Sheet	NIL	NIL	NIL
6. Profit/Loss for the year	NIL	NIL	NIL
i. Considered in Consolidation	NIL	NIL	NIL
ii. Not Considered in Consolidation	NIL	NIL	NIL

For and on behalf of the Company:

Ashwin C. Shroff (Chairman) DIN : 00019952

Bimal V. Mehta (Managing Director) DIN : 00081171

Atul G. Shroff (Director) DIN : 00019645

Ninad D. Gupte (Director) DIN : 00027523

Alak D. Vyas (Company Secretary & Compliance Officer) ACS : 31731

Pratik P. Shah (Chief Financial Officer)



## NOTES



Company's employees contributing one day's salary for Socio-Welfare activities.



Resident Children of Khanderaopura Village, situated near Company's factory premises promoting Green Village, an initiative under TIL's CSR activities.



**TRANSPEK INDUSTRY LIMITED**

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**TRANSPEK INDUSTRY (EUROPE) LIMITED**

A wholly owned subsidiary of Transpek Industry Limited.

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